CHAMPION IRON

# ANNUAL REPORT 2026

FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2026



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This Annual Report contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" section and to the "Cautionary Note Regarding Forward-Looking Statements" section of the Annual Report. Unless otherwise specified, all dollar figures stated herein are expressed in Canadian dollars.

# 01. OVERVIEW



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# ABOUT CHAMPION

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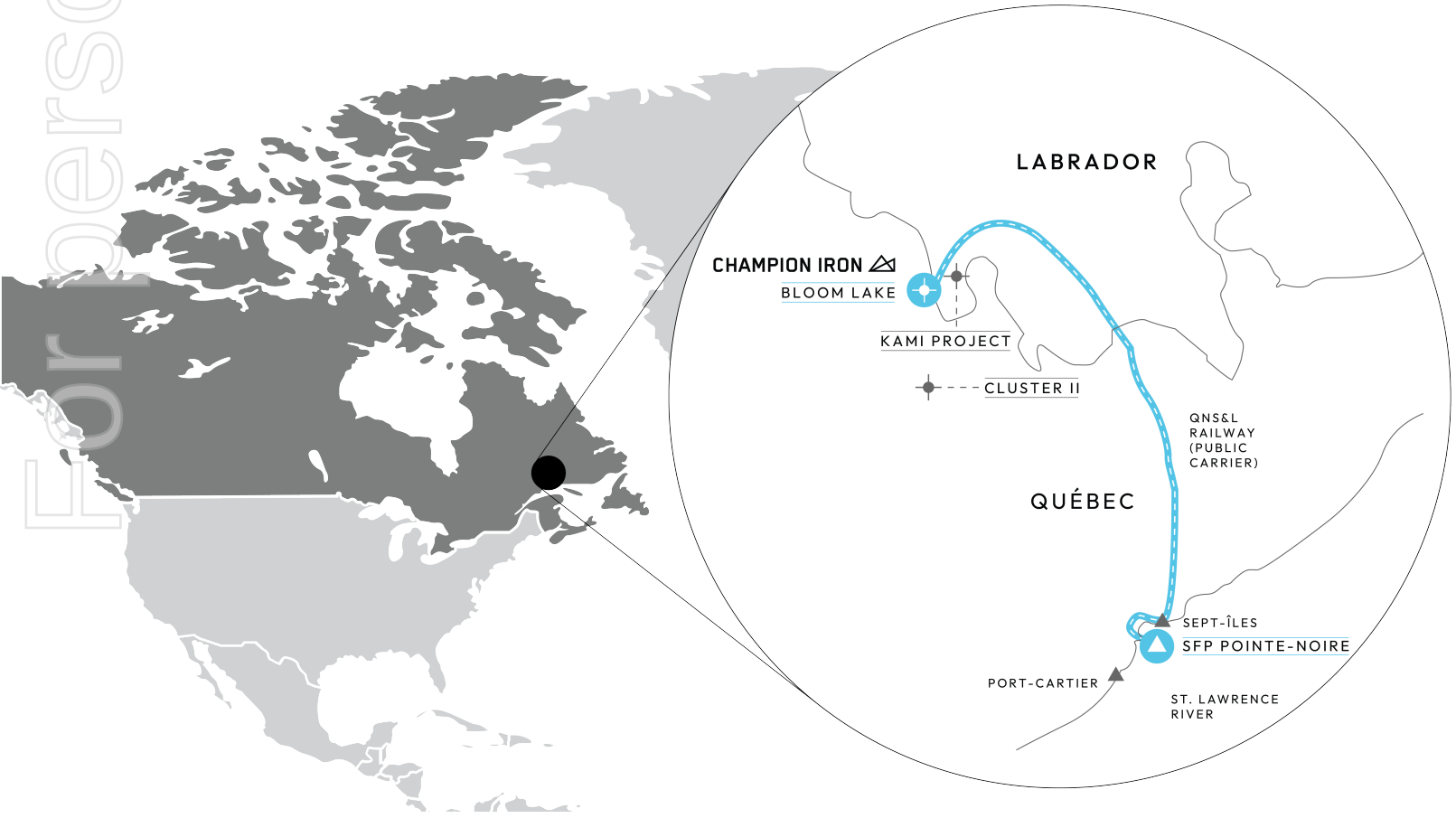
Champion is a high-purity iron ore producer with operations in Canada and Norway. Through Quebec Iron Ore Inc. ("QIO"), Champion owns and operates the Bloom Lake Mining Complex located in Québec, on the south end of the Labrador Trough. Bloom Lake is an open-pit operation with two concentration plants having a combined nameplate capacity of 15M wet metric tonnes ("wmt") per year, that produce low contaminant high-purity 66.2% Fe iron ore concentrate. Iron ore concentrate from Bloom Lake is transported by rail to a ship loading port in Sept-Îles. With the recent commissioning of the direct reduction quality pellet feed iron ore process (the "DRPF project"), Champion expects to upgrade up to half of Bloom Lake's capacity to produce iron ore up to 69% Fe.

Champion also owns and operates Rana Gruber ASA ("Rana Gruber"), a Norwegian iron ore producer based in Mo i Rana, Nordland. With continuous production dating back to the 1960's, Rana Gruber produces approximately 1.8M dry metric tonnes ("dmt") per year of hematite and magnetite iron ore concentrates.

Champion's iron ore concentrate is delivered to global markets, including in China, Japan, the Middle East, Europe, South Korea, India and Canada.

In addition, Champion holds a 51% interest in Kami Iron Mine Partnership (the "Kami Partnership"), which owns the Kami Project, with the remaining 49% interest held by Nippon Steel Corporation ("Nippon Steel") and Sojitz Corporation ("Sojitz"). Located only 21 kilometres southeast of Bloom Lake, the Kami Project is anticipated to produce 9M wmt per year of direct reduction ("DR") quality iron grading above 67.5% Fe.

Champion also holds a portfolio of exploration and development projects in the Labrador Trough, including the Cluster II portfolio of properties, located within 60 kilometres south of Bloom Lake.





# BLOOM LAKE OPERATIONS

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The Bloom Lake Mining Complex is located on the south end of the Labrador Trough, approximately 13 kilometres north of Fermont, Québec. It operates two concentration plants that primarily source energy from renewable hydroelectric power and produce low contaminant high-purity 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality iron ore concentrate.

Originally commissioned in 2010 by its previous owners, the Bloom Lake Mine and related rail assets were acquired by Champion in 2016. The Company restarted the mining operations in 2018, ahead of schedule and within budget, significantly improving operations compared to its previous owners.

In 2022, Champion completed Bloom Lake's Phase II expansion project, which doubled the overall nameplate capacity to 15M wmt per year. This was achieved ahead of schedule and on budget, while overcoming the challenges imposed by the COVID-19 pandemic.

Today, benefiting from one of the highest purity resources globally, Champion is in the final stages of completing its $500 million investment to upgrade half of Bloom Lake's mine capacity to a direct reduction quality pellet feed ("DRPF") product grading up to 69% Fe, one of the highest purity iron ores in the world. As commissioning activities are intensifying, the Company successfully completed its initial production tests in March 2026 and remains on track to produce commercially saleable DR quality iron ore by the end of June 2026. The DPRF project will further enable the Company to contribute to the decarbonization of the steel industry and meet the expected rising demand for direct reduced iron ("DRI") globally.

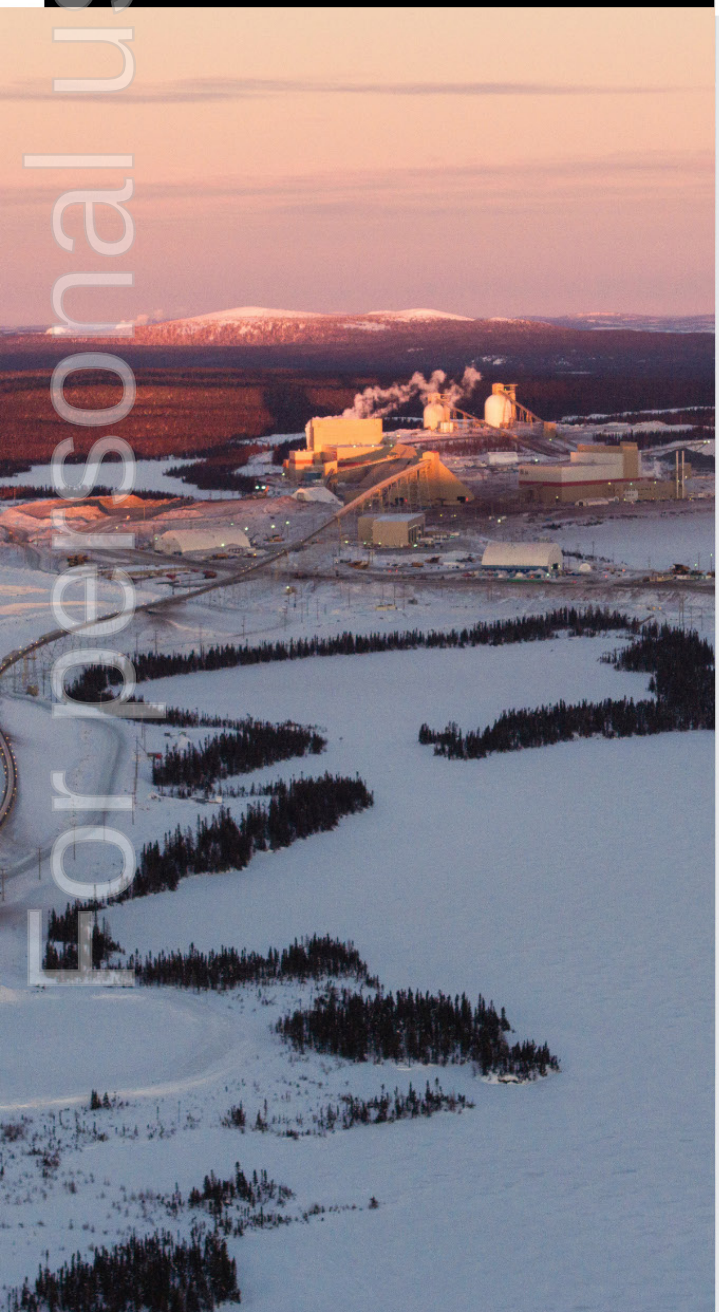
Achieving these milestones reflects the agility and operational excellence of the Company's employees and partners. Bloom Lake continues to produce high-purity iron ore concentrate while creating a positive impact for its host community and all its stakeholders.

As of today, Bloom Lake benefits from over US$4.5 billion in cumulative investments. Its substantial ore reserves, together with existing mineral resources and other nearby deposits held by the Company, offer future growth opportunities.

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# OUR VISION

Leverage the force of responsible materials to decarbonize and brighten the future.



# OUR MISSION

Produce responsible materials with ingenuity, caring and inclusivity to reduce the carbon footprint with and for those who seek change.

# OUR VALUES

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**PRIDE**
Develop a collective sense of belonging in all spheres of iron ore mining.

**INGENUITY**
Leverage employee creativity and expertise to achieve and maintain efficient practices aimed at operational excellence.

**RESPECT**
Respect for people, resources, the environment, safety standards, partnerships and equipment.

**TRANSPARENCY**
Promote transparent communications through active listening and open dialogue.



Our commitment to responsible mining is reflected in our values. These four core values are the cornerstone of what we believe in and guide how we operate every day.

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# FY2026 HIGHLIGHTS

**14,168,700 wmt**
**Record iron ore concentrate produced**
(2% increase year-over-year)

**15,033,400 dmt**
**Record iron ore concentrate sold**
(11% increase year-over-year)

**$1,769.7M**
**Revenues**
(10% increase year-over-year)

**$78.5 / dmt sold**
**C1 cash cost[1]**
(Well controlled year-over-year)

**$0.32**
**Basic EPS**
(19% increase year-over-year)

**$812.4M**
**Available liquidity[1]**
(34% increase year-over-year)

**$499.3M**
**EBITDA[1]**
(6% increase year-over-year)

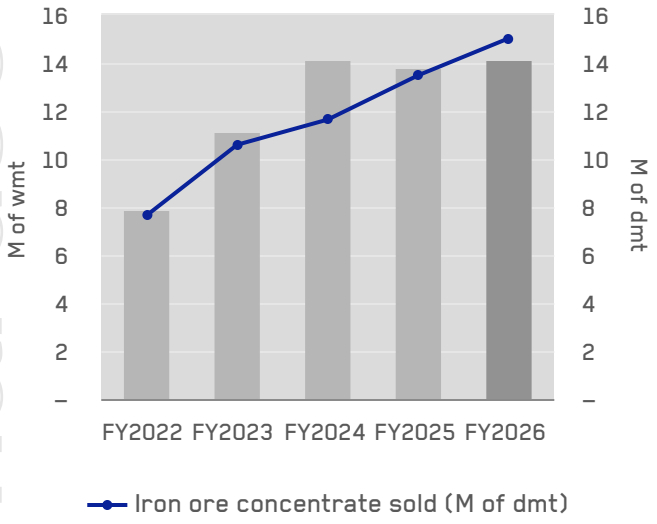
**1.54**
**Recordable injury frequency rate**
(Down 0.44 year-over-year)

[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of the Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

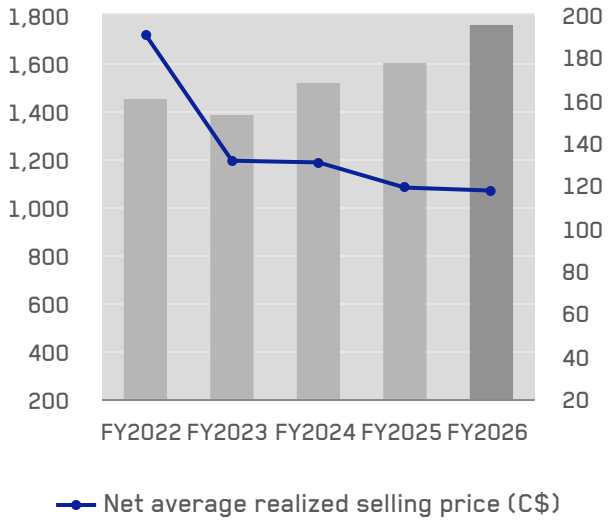
# HISTORICAL FIVE-YEAR PERFORMANCE MEASURES

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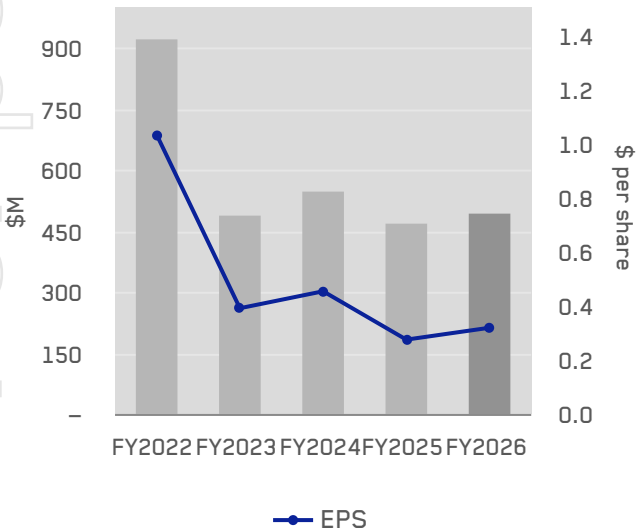
**Iron Ore Concentrate Produced (M of wmt)**



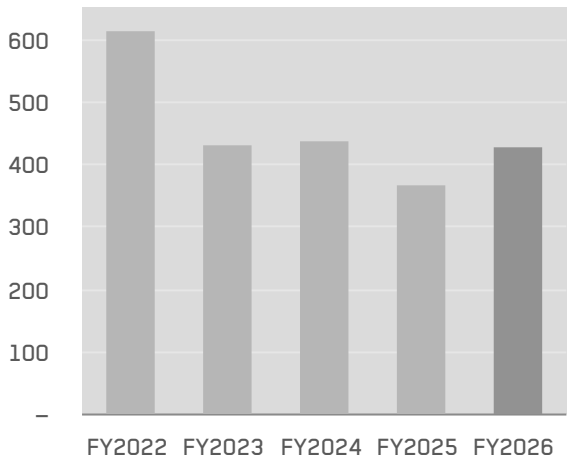

**Revenues ($M)**




**EBITDA ($M)**




**Operating Cash Flows Before Working Capital ($M)**



# OTHER HIGHLIGHTS

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## FINANCIAL & OPERATIONAL

**Declared** two semi-annual dividend payments totalling $0.12 per ordinary share for the financial year;

**Strengthened** financial position through successful refinancing, increasing available liquidity to support ongoing and future growth initiatives, while navigating uncertain economic environments; and

**Delivered** strong operational performance, achieving annual records for material mined and hauled, iron ore concentrate produced and sales volumes, and significantly reducing iron ore concentrate inventories at Bloom Lake by 53%.

## DRPF PROJECT

**Finalized** construction work including mechanical, piping and electrical installation in accordance with the project timeline; and

**Initiated** commissioning activities, completed initial production tests in March 2026 and expecting to achieve commercially saleable DR quality iron ore production by the end of June 2026.

## KAMI PROJECT

**Completed** the initial closing of the Kami Partnership transaction with Nippon Steel and Sojitz, including the partners' first capital contributions, thereby formalizing the joint ownership structure under which the Company holds a 51% interest; and

**Advanced** permitting activities and the definitive feasibility study, expected to be completed in the second half of the 2026 calendar year.

## DEVELOPMENT & GROWTH

**Completed** the acquisition of Rana Gruber on April 17, 2026, strengthening the Company's leadership in the global high-purity iron ore market and increasing its contribution in decarbonizing the steel industry; and

**Continued** evaluating the Company's initiatives to reduce greenhouse gas ("GHG") emissions to support long-term sustainable growth, and released its Sustainability Report under the newly adopted Australian Sustainability Reporting Standards for climate-related disclosures.

# SUSTAINABILITY HIGHLIGHTS

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Commitment to sustainability is deeply anchored in Champion's culture. As a mining company, we recognize our duty to protect the environment and biodiversity and provide a safe and inclusive working environment, avoiding social inequities, embracing cultures and respecting human rights. Integrating sustainable practices while conducting our business is an essential element to minimize risks, improve operational efficiency and, above all, create a positive impact for all our stakeholders. Our commitment to sustainable practices is highlighted through sustainability key performance measures that are directly linked to Management compensation.

We continuously work to innovate and produce high-purity iron ore products that enable our customers to produce steel more sustainably. Champion is committed to playing a leading role in the global transition to a low-carbon economy. As such, we consistently seek opportunities to enhance energy efficiency, decarbonize our operations and develop products that reduce both our carbon footprint and that of our customers.

Our commitment is reflected in our sustainability policies, which include, amongst others, Human Rights, Environmental, Responsible Procurement, Prevention and Handling of Harassment and Discrimination in the Workplace, and Health and Safety Policies. While our policies primarily apply to our organization, several commitments also refer to our supply chain. All of our sustainability policies are available on our website at www.championiron.com.

The Company's responsible procurement policy is designed to prevent complicity in, or the facilitation of, human rights violations or modern slavery throughout its supply chain. The Company's Modern Slavery Statement for the 2026 financial year, prepared in accordance with the Australian Modern Slavery Act 2018 (Cth) and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, is available on our website at www.championiron.com.

## FY2026 Sustainability Highlights

### Environment

- No major environmental incidents reported since Bloom Lake was recommissioned in 2018;
- Maintained a 99.0% water reuse rate[1];
- Achieved a 36% year-over-year reduction in $NO_x$ emissions per tonne of iron ore concentrate produced; and
- Reduced GHG emissions per tonne of material mined and hauled by 2.6% year-over-year.

### Stakeholder, People & Community

- Employee total recordable injury frequency rate of 1.54, outperforming the Québec industry average rate of 1.98[2];
- Continued the Kapatakan initiative, an immersive cultural program fostering connections between the Innu community and the Company's workforce, with the participation of 160 employees. The Company was recognized and awarded at the 2025 Québec Mining Association Gala;
- Continued to support local communities through donations and sponsorships, reinforcing Champion's commitment to positively impact Québec's Côte-Nord region; and
- Produced and disclosed our first Social Monitoring Report, highlighting stakeholder engagement activities and the monitoring of socio-economic components associated with Bloom Lake mine site activities.

### Governance

- Successfully met or exceeded all 14 sustainability targets for the reporting period;
- Assessed and updated corporate policies and committee charters to align governance practices with industry standards; and
- Increased Canadian procurement to 94.9% of total procurement spending (up from 92.5% last year), representing $1.33 billion invested in the Canadian economy.

[1] From October 1, 2024, to September 30, 2025

[2] Based on most recent publicly available data (2024) from the Québec Mining Association (in French only)

## Sustainability Highlights (continued)

The figure below presents the Company's 2026 financial year objectives and results.

| | Objectives | | Cumulative |
|---|---|---|---|
| Environment | Compliance | Achieve 0 major or significant environmental incidents/violations | Achieved: 0 |
| | Water Management | % of reused/recycled water: 90% | Achieved: 99.07% |
| | Tailings Management | Achieve 100% compliance with the Mining Association of Canada's tailings management governance model and framework towards monitoring tailings retaining structures | Achieved: 100% |
| | Climate Change | Governance: Complete an initial Transition Risk Assessment, identifying risks and opportunities that arise from efforts to transition to a lower-carbon economy, including policy, technological, market and reputational elements | Achieved: See the Company's Sustainability Report on pages 205 to 208 |
| | | GHG emissions: Assess the Scope 3 impact and emission reduction opportunities of the commercialization of the DRPF project, producing DR quality iron ore | Achieved: Conclusions were presented to the Board |
| Social, People & Community | Health and Safety | Incident frequency (QIO): 1.9 | Achieved: 1.54 |
| | | Incident frequency (Contractor): 3.0 | Achieved: 2.35 |
| | | Zero Fatalities | Achieved: 0 |
| | Diversity and Inclusion | Achieve a year-on-year increase in the number of women employees working at the Company and implement supporting initiatives to foster their development | Achieved: +7, and deployed initiatives throughout the year |
| | Community Relations | Address 100% of grievances within 30 days | Achieved |
| | First Nations Partners | Organize and hold an annual consultation with our First Nations partners to assess alignment and opportunities for enhanced collaboration | Achieved: Meeting held during the year in addition to the planned ongoing activities |
| Governance | Diversity | Maintain a minimum of 30% female representation on the Board of Directors | Achieved: 38% |
| | Management | Update all public corporate governance and sustainability policies, as needed, and adopt new policies, to reflect stakeholder expectations and align with industry best practices as per the Company's annual policy review framework | Achieved: Policies and Charters were reviewed and approved by the Board in January 2026 |
| | Australian Accountability Standard Board | Identify and disclose physical and transition climate-related risks and opportunities, analyze their financial impact where possible, and optimize the Company's visibility in mitigating risks while leveraging its unique position in the green steel supply chain | Achieved: See the Company's Sustainability Report on pages 201 to 209 and on page 213 |

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## Sustainability Highlights (continued)

Building on this progress, the following objectives reflect the Company's ambitions for the 2027 financial year across our environmental, social and governance performance.

| | Objectives | |
|---|---|---|
| Environment | Compliance | CIL: Achieve 0 major or significant environmental incidents/environmental violations |
| | Water Management | QIO: Achieve 90% of recycled consumption |
| | Tailings Management | QIO: Achieve 100% compliance with the Mining Association of Canada's tailings management governance model and framework for monitoring tailings retaining structures |
| | Climate Change | QIO: Reduce Scope 3 emissions by at least five hundred thousand tonnes of $CO_2$ equivalent year-over-year, compared to FY26, supported by the commissioning of the DRPF project and expected sales to DRI/EAF producers |
| Social, People & Community | Health and Safety | Incident frequency (QIO): 1.80 |
| | | Incident frequency (Contractor): 2.85 |
| | | Zero Fatalities |
| | Community Relations | QIO: Address 100% of grievances within 30 days. Grievances considered under this KPI include those recorded through Bloom Lake-Plaintes (the current grievance mechanism) as well as those identified during stakeholder engagement activities, provided they trigger a response action and fall within the scope of influence and leverage of the teams and the Company to address |
| | Local Stakeholders Relations | QIO: Organize and hold an annual consultation with our First Nations partners to assess alignment and opportunities for enhanced collaboration |
| Governance | Diversity | Maintain a minimum of 30% female representation on the Board of Directors |
| | Management | Update all public corporate governance and sustainability policies, as needed, and adopt new policies, to reflect stakeholder expectations and align with industry best practices as per the Company's annual policy review framework |
| | Climate Reporting | CIL: Harmonize S2 Climate-related Disclosures across Champion's portfolio of producing assets, including Scope 1, 2 and 3 (metrics) emissions |

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# A WORD FROM THE EXECUTIVE CHAIRMAN



MICHAEL O'KEEFFE
EXECUTIVE CHAIRMAN

I am proud of our team and the progress and achievements delivered over the past financial year. Champion stands at a pivotal point in its development, marked by the nearly completed DRPF project, which opens access to new markets and positions us to benefit from higher premiums for our high-purity iron ore.

We have also strengthened our portfolio through the acquisition of Rana Gruber, a proven asset expected to generate positive returns for our shareholders, while creating opportunities for synergies in customer engagement and future growth.

Looking ahead, we remain focused on creating long-term value for all stakeholders. Notably, we are optimizing our shareholder return framework to align with our expected financial capacity, while continuing to pursue disciplined and value-accretive growth opportunities.

MICHAEL O'KEEFFE
EXECUTIVE CHAIRMAN

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# A WORD FROM THE CEO

DAVID CATAFORD
CHIEF EXECUTIVE OFFICER



In the financial year, Champion continued to demonstrate its commitment to the responsible development of its resources, while reaching another significant growth milestone at Bloom Lake with the nearly completed DRPF project.

We advanced several other key initiatives, including the progression of the Kami definitive feasibility study in partnership with Nippon Steel and Sojitz, as well as the acquisition of Rana Gruber. We are pleased to work alongside the Rana Gruber team, whose values and vision closely align with ours, as we continue to build a leading global supplier of high-purity iron ore.

We are also grateful for the trust and long-standing collaboration of our partners, whose contributions have enabled us to develop strong expertise in the Labrador Trough and expand both locally and internationally.

With a solid foundation in place, we are well positioned to deliver a lasting positive impact for our host communities and maximize shareholder value through a disciplined approach to capital returns, while continuing to pursue growth opportunities.

DAVID CATAFORD
CHIEF EXECUTIVE OFFICER

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# THE MANAGEMENT TEAM

## STRONG EXPERTS REPRESENTING THE COMPANY'S VALUES AND PRINCIPLES



**MICHAEL O'KEEFFE**
B AppSc (Metallurgy)

EXECUTIVE CHAIRMAN
OF THE BOARD



**DAVID CATAFORD**
Eng.

CHIEF EXECUTIVE OFFICER
AND DIRECTOR



**ALEXANDRE BELLEAU**
Eng.

CHIEF OPERATING OFFICER



**STEVE BOUCRATIE**

SENIOR VICE-PRESIDENT,
GENERAL COUNSEL AND
CORPORATE SECRETARY



**MICHAEL MARCOTTE**
CFA

SENIOR VICE-PRESIDENT,
CORPORATE DEVELOPMENT
AND CAPITAL MARKETS



**ANGELA KOUROUKLIS**
CRIA, MBA, ASC, C.Dir.

SENIOR VICE-PRESIDENT,
HUMAN RESOURCES



**FRANÇOIS LAVOIE**
Eng.

SENIOR VICE-PRESIDENT,
SALES, TECHNICAL
MARKETING AND
PRODUCT DEVELOPMENT

# MANAGEMENT TEAM

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## Michael O'Keeffe, B AppSc (Metallurgy)

**Executive Chairman and Former Chief Executive Officer**

Michael O'Keeffe is a founder and Executive Chairman of Champion Iron, having been appointed to the role in August 2013. He served as the Company's Chief Executive Officer until April 2019. A qualified metallurgist, Mr. O'Keeffe began his career in 1975 with MIM Holdings, where he held a variety of senior operating positions and advanced to Executive Management in commercial activities. In 1995, he became Managing Director of Glencore Australia (Pty) Limited, a position he held until July 2004. Mr. O'Keeffe was also the founder and Executive Chairman of Riversdale Mining Limited and currently serves as a member of the Board of Directors for Burgundy Diamond Mines Ltd.

## David Cataford, Eng.

**Chief Executive Officer and Director**

David Cataford joined Champion Iron in 2014. He held the position of Chief Operating Officer before being appointed Chief Executive Officer of the Company in 2019. Mr. Cataford steered the recovery of assets, the restart of the Bloom Lake Mine and today, with the support of a team of over 1,400 employees, he leads all of the Company's growth projects. Under his leadership, Champion Iron has forged a strong position in the green steel supply chain, building on a trust-based partnership with First Nations communities. Prior to joining Champion Iron, he held various management positions with other mining companies operating in the Labrador Trough, including Cliffs Natural Resources Inc. and ArcelorMittal. He was also co-founder and president of the North Shore and Labrador Mineral Processing Society. Mr. Cataford holds a bachelor's degree in mining engineering from Université Laval. His career path has earned him several awards, including the Young Mining Professionals Award and the Brendan Woods International Top Gun CEO Award.

## Alexandre Belleau, Eng.

**Chief Operating Officer**

Alexandre Belleau joined Champion Iron in 2016. As Chief Operating Officer, he oversees many of the Company's sectors – logistics, operations, exploration and projects, which benefit from his expertise in business development and project management. Driven by a constant desire to innovate and push back boundaries, he fully contributes to the organization's growth while creating value for employees, host communities, partners and shareholders. Prior to joining Champion Iron, he participated in the creation of two startups specializing in building control technologies and bioenergy. He also worked in the energy efficiency and recreational products sectors. Mr. Belleau holds a bachelor's degree in mechanical engineering from the Université de Sherbrooke and is an executive member of the Québec Mining Association since 2018.

## Steve Boucratie

**Senior Vice-President, General Counsel and Corporate Secretary**

Steve Boucratie joined Champion Iron in May 2019 as Vice-President, General Counsel and Corporate Secretary. He brings more than 20 years of legal and transactional experience to the team. He previously served as Director, Legal Affairs and Assistant Corporate Secretary for Osisko Gold Royalties Ltd. Prior to Osisko, he was a partner of the law firm Fasken Martineau DuMoulin LLP, where he practiced corporate law. Mr. Boucratie holds a bachelor's degree in finance from HEC Montréal, a bachelor's degree in law from Université de Montréal and a postgraduate diploma (DESS) in common law and transnational law from Université de Sherbrooke.

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# Management Team (continued)

## Michael Marcotte, CFA

**Senior Vice-President, Corporate Development and Capital Markets**

Michael Marcotte joined Champion Iron in 2018 as Vice-President of Investor Relations, and was promoted to Senior Vice-President of Corporate Development and Capital Markets in 2021. He was formerly Vice-President and Partner at Orion Financial Inc. for 15 years, which was later acquired by Macquarie Capital Markets Canada Ltd. During this time, he focused on natural resources equities with institutional investors across North America and Europe. His previous experience includes natural resource equity research at various institutional asset managers. He received the TopGun award by Brendan Wood International as a leading institutional sales professional in 2017 and 2018, then as a leading global investor relations representative in 2023. He also served for several years on the Board of Directors of Ruelle de l'Avenir, a non-profit organization contributing to the learning and academic success of young people in greater Montréal. Mr. Marcotte is a Chartered Financial Analyst (CFA), a Calvin C. Potter Fellow and holds a bachelor's degree in business administration (BAA) from Concordia University.

## Angela Kourouklis, CRIA, MBA, ASC, C.Dir.

**Senior Vice-President, Human Resources**

Angela Kourouklis joined Champion Iron in August 2021 as Senior Vice-President, Human Resources. Through the implementation of a company-wide leadership development program, her strong commitment to First Nations relations and the alignment of the organization's people strategies, she fully contributes to Champion Iron's corporate culture. Prior to joining Champion Iron, she worked in various sectors such as manufacturing, aerospace, hospitality, retail and media. With over 20 years of experience in human resources management, her human touch enables her to foster engagement, innovation and creativity as she positions people at the heart of the Company in a context of significant growth. Ms. Kourouklis also serves as Chair of COREM's Board of Directors. Ms. Kourouklis holds a Bachelor's degree in Industrial Relations from the Université de Montréal, an MBA from UQAM and an EMBA from the Université Paris Dauphine – PSL. She is also certified as a Corporate Director (ASC) by Université Laval's Collège des administrateurs de sociétés and Chartered Directors (C.Dir.) from The Directors College.

## François Lavoie, Eng.

**Senior Vice-President, Sales, Technical Marketing and Product Development**

François Lavoie joined Champion Iron as Chief Metallurgist in 2017 and contributed to the Bloom Lake Mine recommissioning in 2018. Promoted to Senior Vice-President, Sales, Technical Marketing and Product Development in July 2024, he actively participates and contributes to growth projects, strategic partnerships, and corporate planning. In recognition of his outstanding early career achievements in mineral processing, the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) awarded him the Bill Moore Special Achievement Award in 2022. He was also a founding member of the Canadian Mineral Processors (CMP) Côte-Nord and Labrador chapter and served as its president for over 5 years. Mr. Lavoie holds a bachelor's degree in metallurgy from Université Laval. Prior to joining Champion Iron in 2017, he developed his expertise in various technical and operational roles in the iron ore industry, including with Cliffs Natural Resources, Arcelor Mittal, BBA Inc., and Soutex Inc.

## Bill Hundy

**Company Secretary – Australia**

Bill Hundy joined Champion Iron in January 2023 as Company Secretary – Australia. Since 2020, he has been acting as Senior Company Secretary and Solicitor for MUFG Corporate Governance, a company providing corporate services to various publicly traded companies. Mr. Hundy is a highly experienced company secretary and lawyer and has held roles in major listed public companies for over three decades in the mining, energy and manufacturing industries, such as Origin Energy Limited, Email Limited, Placer Pacific Limited, Kidston Gold Mines Limited and Oil Company of Australia Limited. Mr. Hundy has extensive background in company secretarial practice, corporate governance, communications, compliance, risk management and insurance.

## Member Transition

Donald Tremblay was appointed Chief Financial Officer on July 4, 2022, effective September 12, 2022, and departed on August 26, 2025, effective October 20, 2025. Since then, the Company has been actively engaged in a search for his successor. In the interim period, certain of the Company's executives have had direct oversight of the Chief Financial Officer responsibilities.

# 02.
# CORPORATE GOVERNANCE




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WE PRODUCE HIGH-PURITY
IRON ORE CONCENTRATE
WITH INTEGRITY

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# THE BOARD OF DIRECTORS

## A DIVERSE BOARD IN SKILLS, EXPERIENCE, AND GENDER TO ENSURE BEST-PRACTICE GOVERNANCE AND CHAMPION'S PROSPERITY



**MICHAEL O'KEEFFE**
B AppSc (Metallurgy)

EXECUTIVE CHAIRMAN OF THE BOARD



**DAVID CATAFORD**
Eng.

CHIEF EXECUTIVE OFFICER AND DIRECTOR



**GARY LAWLER**
BA, LLB, LLM (Hons), ASIA, Master of Laws (Applied Laws) (Wills and Estates)

LEAD DIRECTOR



**MICHELLE CORMIER**
CPA

DIRECTOR



**LOUISE GRONDIN**
P.Eng., MSc

DIRECTOR



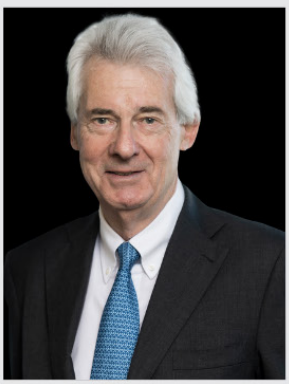
**JESSICA MCDONALD**

DIRECTOR



**JYOTHISH DEVINA GEORGE**
Ph.D

DIRECTOR



**RONNIE BEEVOR**
BA (Oxon)

DIRECTOR

# BOARD OF DIRECTORS

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## Michael O'Keeffe, B AppSc (Metallurgy)

**Executive Chairman and Former Chief Executive Officer** (non-independent)

Michael O'Keeffe is a founder and Executive Chairman of Champion Iron, having been appointed to the role in August 2013. He served as the Company's Chief Executive Officer until April 2019. A qualified metallurgist, Mr. O'Keeffe began his career in 1975 with MIM Holdings, where he held a variety of senior operating positions and advanced to Executive Management in commercial activities. In 1995, he became Managing Director of Glencore Australia (Pty) Limited, a position he held until July 2004. Mr. O'Keeffe was also the founder and Executive Chairman of Riversdale Mining Limited and currently serves as a member of the Board of Directors for Burgundy Diamond Mines Ltd.

## David Cataford, Eng.

**Chief Executive Officer and Director** (non-independent)

David Cataford joined Champion Iron in 2014. He held the position of Chief Operating Officer before being appointed Chief Executive Officer of the Company in 2019. Mr. Cataford steered the recovery of assets, the restart of the Bloom Lake Mine and today, with the support of a team of over 1,400 employees, he leads all of the Company's growth projects. Under his leadership, Champion Iron has forged a strong position in the green steel supply chain, building on a trust-based partnership with First Nations communities. Prior to joining Champion Iron, he held various management positions with other mining companies operating in the Labrador Trough, including Cliffs Natural Resources Inc. and ArcelorMittal. He was also co-founder and president of the North Shore and Labrador Mineral Processing Society. Mr. Cataford holds a bachelor's degree in mining engineering from Université Laval. His career path has earned him several awards, including the Young Mining Professionals Award and the Brendan Woods International Top Gun CEO Award.

## Gary Lawler, BA, LLB, LLM (Hons), ASIA, Master of Laws (Applied Laws) (Wills and Estates)

**Non-Executive Director** (independent)

Gary Lawler was appointed as a Non-Executive Director on April 9, 2014. He worked as an Australian corporate lawyer specializing in mergers and acquisitions for 45 years, during which time he was a partner in several leading Australian law firms. He has previously held board positions with Dominion Mining Limited, Riversdale Mining Limited, Riversdale Resources Limited, Cartier Iron Corporation and Mont Royal Resources Limited, and brings a wealth of legal, governance and business experience to the Board.

## Michelle Cormier, CPA

**Non-Executive Director** (independent)

Michelle Cormier is a senior-level executive with experience in management, including financial management, corporate finance, turnaround and strategic advisory situations and human resources. She has a strong capital markets background, with experience in public companies listed in the United States and Canada. She has significant experience in corporate governance, having served on several boards of directors of publicly listed and privately held companies as well as government-owned institutions and not-for-profit organizations. Ms. Cormier has been a consultant to Wynnchurch Capital Canada, Ltd. since 2014. Previously, she spent 13 years in senior management and as Chief Financial Officer of a large North American forest products company, and eight years in various senior management positions at Alcan Aluminum Limited (Rio Tinto). Ms. Cormier articled with Ernst & Young. She currently serves on the Board of Directors of Cascades Inc.

# Board of Directors (continued)

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### Louise Grondin, P.Eng., MSc

**Non-Executive Director** (independent)

Louise Grondin retired as Senior Vice-President of Human Resources and Culture for Agnico Eagle Mines Limited ("Agnico Eagle"), an international gold producer based in Canada, in January 2021. Joining Agnico Eagle in 2001, Ms. Grondin has held various management positions, including Senior Vice-President of Environment, Sustainable Development and Human Resources and Senior Vice-President of Environment and Sustainable Development. Prior to working with Agnico Eagle, Ms. Grondin was Director of Environment, Human Resources and Safety for Billiton Canada Ltd. In 2013, she was named amongst the 100 Global Inspirational Women in Mining, in 2015, she received the Rick W. Filotte Career Recognition Award and, in 2016, she was the recipient of the Women in Mining Canada Trailblazer award. She also sits on the Board of the Canadian Mining Hall of Fame and Wesdome Gold Mines Ltd. Ms. Grondin is a member of the Association of Professional Engineers of Ontario, the Ordre des ingénieurs du Québec and a fellow of the Canadian Academy of Engineering.

### Jessica McDonald

**Non-Executive Director** (independent)

Jessica McDonald joined Champion Iron in August 2023. She has been a corporate director since 2014 and has been certified by the Institute of Corporate Directors since 2017. She is currently a member of the board of directors of GFL Environmental Inc. Ms. McDonald was also a director of Foran Mining Corporation from 2023 to 2026, Coeur Mining, Inc. from 2018 to 2023, Hydro One Limited from 2018 to 2022 and a director and chair of Trevali Mining Corporation between 2017 and 2020. From 2014 to 2017, Ms. McDonald was President and Chief Executive Officer of the BC Hydro and Power Authority, a clean energy utility with over $5.5 billion in annual revenue and more than 5,000 employees. She acted as interim President and Chief Executive Officer of Canada Post Corporation from April 2018 to March 2019 and was the chair of its board of directors between 2017 and 2020. Ms. McDonald served as the Chair of Powertech Labs, one of the largest testing and research laboratories in North America and a director of Powerex, an energy trading company. Ms. McDonald has extensive government experience, including serving as Deputy Minister to the Premier and Head of the BC Public Service. Ms. McDonald holds a Bachelor of Arts degree in Political Science from the University of British Columbia, is a graduate of the Institute of Corporate Directors and holds a certification in cybersecurity oversight from the National Association of Corporate Directors and Carnegie Mellon University.

### Jyothish George, Ph. D

**Non-Executive Director** (independent)

Jyothish George joined Champion Iron in October 2017. Mr. George is currently Head of MMC Marketing at Glencore. Prior to his current role, Mr. George served as Head of Copper Marketing and Head of Marketing for Iron Ore at Glencore. Prior to that he was the Chief Risk Officer of Glencore. He earlier held a number of roles at Glencore's head office in Baar, Switzerland, and from 2009 onwards focused on iron ore, nickel and ferroalloys physical and derivatives trading, and has been involved with iron ore marketing since its inception at Glencore. Mr. George joined Glencore in 2006 in London. He was previously a Principal at Admiral Capital Management in Greenwich, Connecticut, a Vice-President in equity derivatives trading at Morgan Stanley in New York, and started his career at Wachovia Securities in New York as a Vice-President in convertible bonds trading. Mr. George received a Bachelor's in Technology from IIT Madras, India and a PhD in Mechanical Engineering from Cornell University.

### Ronnie Beevor, BA (Oxon)

**Director** (independent)

Ronnie Beevor was appointed as a Non-Executive Director in March 2024. Mr. Beevor has over 40 years of experience in investment banking and the mining sector, including as Chair and non-executive director of several mining companies in Australia and internationally. He is presently Chairman of Felix Gold, which has substantial antimony and gold interests in Alaska, Chairman of Peel Mining, which has base and precious metal exploration and development projects around Cobar, New South Wales, and a director of Mont Royal Resources, whose principal business is the Ashram Rare Earth and Fluorspar project in Nunavik, Québec. He recently retired as Chairman of Bannerman Energy Limited, owner of the large Etango uranium deposit in Namibia. Previously, Mr. Beevor served as head of investment banking at Rothschild Australia, Chair of EMED Mining, which acquired, developed and operated the Rio Tinto copper mine in Southern Spain, board member of Riversdale Resources, which was acquired by Hancock Prospecting for A$800 million, as well as Talison Lithium which acquired the Greenbushes lithium mine in West Australia, prior to its acquisition by Tianqi Industry Group for nearly C$700 million. Mr. Beevor also served on the board of Oxiana Limited, which developed substantial gold and copper operations in Laos, acquired the Golden Grove polymetallic mine in Western Australia, developed the Prominent Hill mine in South Australia and merged with Zinifex Limited to form OZ Minerals, which was acquired in 2023 by BHP Group Limited for A$9.5 billion. Mr. Beevor holds an Honours degree in Philosophy, Politics and Economics from Oxford University, and qualified as a chartered accountant in England and Wales.

# CORPORATE GOVERNANCE STATEMENT

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**Champion is committed to conducting business ethically, responsibly, in compliance with the legal requirements of the jurisdictions where it operates, and in accordance with the highest standards of corporate governance. Champion recognizes that good governance is of utmost importance to its stakeholders, and central to the continuous improvement of its accountability and sustainability performance. Proper corporate governance enables Champion to uphold its core values of transparency and respect.**

### Corporate Governance Statement

The Company's Board is committed to protecting and enhancing shareholder value and conducting the Company's business ethically and in accordance with the highest standards of corporate governance. In determining those standards, Champion supports the intent of the 4th Edition ASX Corporate Governance Principles and Recommendations ("Principles and Recommendations") and meets the specific requirements of the Principles and Recommendations, unless otherwise disclosed.

Champion believes that its practices are consistent with the Principles and Recommendations and will continue to adapt its governance practices to maintain this status or make changes as appropriate, in accordance with the nature and scale of the Company's business.

The 2026 financial year Corporate Governance Statement is available on the Company's website at www.championiron.com. The corporate governance section of Champion's website also provides further information on the Company's corporate governance policies, including its Whistleblower Policy.

### Diversity Policy

The Diversity Policy adopted by Champion is available on the Company's website at www.championiron.com.

The Board aims to increase gender diversity as Director and Management positions become vacant and appropriately qualified candidates become available. As at March 31, 2026, 14% of the Company's Management team and 38% of its Board positions are held by women (13% and 38%, respectively, as at March 31, 2025).

In addition, as at March 31, 2026, women held 11% of positions throughout the Company (excluding Management and Board members), with a greater representation at its head office, where 41% of the workforce were women (12% and 39%, respectively, as at March 31, 2025).

# 03. FORWARD-LOOKING STATEMENTS



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# CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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**Forward-Looking Statements**

This Annual Report contains certain information and statements that may constitute "forward-looking information" under applicable securities legislation ("Forward-Looking Statements"). Forward-Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "will", "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 Annual Report that address future events, developments or performance that Champion expects to occur are Forward-Looking Statements. Forward-Looking Statements include, among other things, Management's expectations regarding:

(i) Bloom Lake's LoM, recovery rates and efforts to improve such rates, production, economic and other benefits, nameplate capacity and related opportunities and benefits;

(ii) the project to upgrade the Bloom Lake iron ore concentrate to a higher purity and to convert approximately half of Bloom Lake's increased mine capacity to a DR quality pellet feed iron ore (the DRPF project), expected DRPF project timeline, including the anticipated timeline for initial saleable production and full production capacity, capital expenditures, budget and financing, production metrics, technical parameters, pricing premiums, efficiencies, economic and other benefits and the timing thereof, related engagement with, and expectations with respect to, prospective customers, the expected commissioning, commercial shipments of iron ore and ramping-up and achieving full production capacity of the DRPF project and the impact thereof on production, sales and financial results and the timing thereof;

(iii) the Kami Project Study (including LoM), the Kami Project's potential to produce a DR grade product, DFS and its timing, stakeholder and government engagement, efficiencies and economic and other benefits and evaluation of opportunities to improve project economics;

(iv) the Kami Partnership (as defined below) with Nippon Steel Corporation and Sojitz Corporation with respect to the Kami Project, the completion of a DFS and the timing thereof, the potential to receive future payments based on the financial performance of the Kami Project, the Partners' (as defined below) contributions to support the DFS, potential IID and FID, the second closing of the Kami Transaction (as defined below) and its timing, the ability of Champion to realize on the benefits of the Kami Transaction, use of the initial cash contributions, subsequent cash contributions, future cash calls, funding thereof and the impact thereof on the Company's liquidity;

(v) the Dividend Policy (as defined below) and the Company's capital return strategy generally and related policies, expected results and alternative strategies;

(vi) the shift in steel industry production methods, expected rising demand for higher-purity iron ore products and DRI globally and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including the transition of the Company's product offering (including producing high-purity DRPF products) and the expansion of its geography, markets and customer base, related investments and expected benefits thereof;

(vii) maintaining stripping activities cadence;

(viii) ore inventory management strategies, including product blending and short-term stockpiling;

(ix) the Company's safe tailings strategy and tailings investment plan, mining equipment rebuild programs;

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

(xi) the relationship between iron ore prices and ocean freight costs (including C3 index outlook) and their impact on the Company;

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

(xiii) the Company's cash requirements for the next 12 months relating primarily to capital expenditures, growth project expenditures, dividend payments to shareholders, if declared, capital repayments related to lease liabilities and long-term debt, and mining and income taxes, the Company's positioning to fund such cash requirements and estimated future interest payments;

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

(xv) production and recovery rates and levels, ore characteristics and the Company's performance and related strategies and work programs to optimize operations, including ore blending optimization;

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

(xvii) the Company's tax position and expectations regarding the absence of taxable profit to utilize losses;

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

## Cautionary Note Regarding Forward-Looking Statements (continued)

**Specific Forward-Looking Statements** (continued)

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

(xx) available liquidity and the Company's financial flexibility, including spending prioritization;

(xxi) the Company's beliefs regarding non-IFRS and other financial measures, including usefulness of those measures for investors to understand the Company's results and ability to generate operating earnings, compare operating results between periods, evaluate business performance, assess liquidity and cash flows to fund working capital needs and capital expenditures, and service debt obligations;

(xxii) the Company's beliefs regarding compliance with applicable laws and regulations, including that it has all necessary licenses, permits and approvals required to carry out its activities;

(xxiii) the Company's strategic and growth initiatives and opportunities generally and their potential to optimize shareholder returns, unlock value for stakeholders and reinforce the Company's leadership in the high-purity iron ore industry; and

(xxiv) the anticipated benefits of the Rana Gruber acquisition, including the expectation that it will generate positive returns for shareholders, create synergies in customer engagement, support future growth, and diversify the Company's asset base, product portfolio and geographic footprint.

**Deemed Forward-Looking Statements**

Statements relating to "resources" or "reserves" are deemed to be Forward-Looking Statements as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual resources and reserves may be greater or less than the estimates provided herein. Refer also to "Uncertainty of Mineral Resource and Ore Reserve Estimates" in the section 09 — Risk Factors of this Annual Report.

**Risks**

Although the Company 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:

- iron ore prices;
- energy prices;
- operating costs;
- freight costs;
- general economic, competitive, political and social uncertainties;
- continued availability of capital and financing and general economic, market or business conditions;
- timing of and uncertainty regarding the steel industry shift in production methods, impacting demand for high-purity feed;
- failure of plant, equipment or processes to operate as anticipated;
- delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities;
- the results of feasibility studies;
- changes in the assumptions used to prepare feasibility studies;
- project delays;
- geopolitical events; and
- the effects of catastrophes and public health crises on the global economy, the iron ore market and Champion's operations,

as well as those factors discussed in the section 09 — Risk Factors of this Annual Report.

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

**Additional Updates**

All of the Forward-Looking Statements contained in this Annual Report are given as of the date hereof or such other date or dates specified in the Forward-Looking Statements and are 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 Statements, 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.

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# 04. DIRECTORS' REPORT



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# DIRECTORS' REPORT

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This Directors' Report of Champion Iron Limited ("Champion" or the "Company") has been prepared as of May 28, 2026, and is intended to supplement the audited consolidated financial statements of the Company for the year ended March 31, 2026, and related notes thereto (the "Financial Statements"), which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), including Australian Interpretations and the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Financial Statements and other information pertaining to the Company are available under the Company's profile on the ASX at www.asx.com.au, SEDAR+ at www.sedarplus.ca and the Company's website at www.championiron.com.

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

Unless otherwise specified, all dollar figures stated herein are expressed in millions of Canadian dollars, except for: (i) tabular amounts, which are expressed in thousands of Canadian dollars; and (ii) per share or per tonne (including dmt and wmt) amounts, which are expressed in Canadian dollars or in United States dollars, as indicated.

The following abbreviations and definitions are used throughout this Directors' Report: US$ or U.S. dollar (United States dollar), C$ (Canadian dollar), Board (Board of Directors of Champion), t (tonnes), wmt (wet metric tonnes), dmt (dry metric tonnes), M (million), Mt (million tonnes), FOB (free on board), Fe (iron ore), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), FID (final investment decision), IID (interim investment decision), DFS (definitive feasibility study), DR (direct reduction), DRI (direct reduced iron), DRPF (direct reduction pellet feed), Kami Project (Kamistiatusset project), P61 index (Platts IODEX 61% Fe CFR China index), P62 index (Platts IODEX 62% Fe CFR China index), P65 index (Platts IODEX 65% Fe CFR China index), C3 index (C3 Baltic Capesize index), EBITDA (earnings before income and mining taxes, net finance costs and depreciation), AISC (all-in sustaining cost) and EPS (earnings per share). The terms "Champion" or the "Company" refer to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. The term "QIO" refers to Quebec Iron Ore Inc., the Company's wholly-owned subsidiary and the operator of Bloom Lake. The term "Ore Reserves" is used in accordance with the JORC Code and refers to "Mineral Reserves" as defined in NI 43-101.

**Non-IFRS and Other Financial Measures**

Certain financial indicators used by the Company to analyze and evaluate its results are non-IFRS financial measures or ratios and supplementary financial measures. Each of these indicators is not a standardized financial measure under the IFRS and might not be comparable to similar financial measures used by other issuers. These indicators are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS and other financial measures that may be included in this Directors' Report are: EBITDA and EBITDA margin, adjusted net income, adjusted EPS, available liquidity, C1 cash cost per dmt sold, mining and processing costs per dmt produced, land transportation and port handling costs per dmt sold, AISC per dmt sold, cash operating margin, cash profit margin, gross average realized selling price per dmt sold, net average realized selling price per dmt sold or net average realized FOB selling price per dmt sold, and operating cash flow per share. When applicable, a quantitative reconciliation to the most directly comparable IFRS measure is provided in section 20 — Non-IFRS and Other Financial Measures of this Directors' Report.


OPERATING AND FINANCIAL REVIEW I.

REMUNERATION REPORT II.

SPECIFIC AND GENERAL INFORMATION III.



# I. OPERATING AND FINANCIAL REVIEW

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## 1. Financial and Operating Highlights

| | Three Months Ended March 31, | | | Year Ended March 31, | | | |
|---|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance | 2024 |
| Iron ore concentrate produced (wmt) | **3,435,100** | 3,167,000 | 8 % | **14,168,700** | 13,834,200 | 2 % | 14,162,400 |
| Iron ore concentrate sold (dmt) | **3,455,400** | 3,495,300 | (1)% | **15,033,400** | 13,491,200 | 11 % | 11,643,700 |
| **Financial Data** (in thousands of dollars, except per share data) | | | | | | | |
| Revenues | **414,505** | 425,345 | (3)% | **1,769,731** | 1,606,579 | 10 % | 1,524,294 |
| Net income | **23,186** | 39,140 | (41)% | **168,736** | 142,045 | 19 % | 234,191 |
| Adjusted net income[1] | **23,186** | 39,140 | (41)% | **168,736** | 142,045 | 19 % | 236,565 |
| EBITDA[1] | **114,340** | 127,378 | (10)% | **499,324** | 471,290 | 6 % | 552,549 |
| EBITDA margin[1] | **28 %** | 30 % | (7)% | **28 %** | 29 % | (3)% | 36 % |
| Basic EPS | **0.04** | 0.08 | (50)% | **0.32** | 0.27 | 19 % | 0.45 |
| Diluted EPS | **0.04** | 0.07 | (43)% | **0.32** | 0.27 | 19 % | 0.44 |
| Adjusted EPS[1] | **0.04** | 0.08 | (50)% | **0.32** | 0.27 | 19 % | 0.46 |
| Net cash flows from operating activities | **152,062** | 144,378 | 5 % | **435,931** | 304,018 | 43 % | 474,585 |
| Dividend per ordinary share paid | **—** | — | — % | **0.20** | 0.20 | — % | 0.20 |
| Cash and cash equivalents | **296,788** | 117,451 | 153 % | **296,788** | 117,451 | 153 % | 400,061 |
| Total assets | **3,497,261** | 3,030,201 | 15 % | **3,497,261** | 3,030,201 | 15 % | 2,689,551 |
| Total non-current financial liabilities | **922,136** | 666,576 | 38 % | **922,136** | 666,576 | 38 % | 508,367 |
| **Statistics** (in dollars per dmt sold) | | | | | | | |
| Gross average realized selling price[1] | **165.1** | 160.4 | 3 % | **157.7** | 163.2 | (3)% | 175.8 |
| Net average realized selling price[1] | **120.0** | 121.7 | (1)% | **117.7** | 119.1 | (1)% | 130.9 |
| C1 cash cost[1] | **82.7** | 80.0 | 3 % | **78.5** | 78.3 | — % | 75.9 |
| AISC[1] | **96.9** | 93.1 | 4 % | **94.9** | 94.9 | — % | 90.9 |
| Cash operating margin[1] | **23.1** | 28.6 | (19)% | **22.8** | 24.2 | (6)% | 40.0 |
| **Statistics** (in U.S. dollars per dmt sold)[2] | | | | | | | |
| Gross average realized selling price[1] | **120.5** | 111.8 | 8 % | **114.1** | 117.3 | (3)% | 130.3 |
| Net average realized selling price[1] | **87.5** | 84.9 | 3 % | **85.2** | 85.5 | — % | 97.0 |
| C1 cash cost[1] | **60.3** | 55.7 | 8 % | **56.8** | 56.3 | 1 % | 56.3 |
| AISC[1] | **70.6** | 64.9 | 9 % | **68.7** | 68.2 | 1 % | 67.4 |
| Cash operating margin[1] | **16.9** | 20.0 | (16)% | **16.5** | 17.3 | (5)% | 29.6 |

[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection included in section 6 — Key Drivers of this Directors' Report.

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## 2. Quarterly Highlights

**Operations and Sustainability**

- No serious workplace-related injuries or major environmental incidents were reported during the three-month period ended March 31, 2026;
- Employee recordable injury frequency rate of 1.54 for the year, down from 1.98 in the previous year, which continues to compare favourably with Québec's industry statistics;
- Met or exceeded most annual sustainability targets set in the Company's previous sustainability report, which incorporated industry best practice disclosure frameworks, including the Global Reporting Initiative, the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosures;
- Quarterly production of 3.4 million wmt of high-purity 66.2% Fe concentrate for the three-month period ended March 31, 2026, an 8% increase over the same prior-year period, and comparable to that of the second quarter of the 2026 financial year, during which the Company also completed scheduled semi-annual maintenance at both concentration plants;
- Quarterly sales of 3.5 million dmt for the three-month period ended March 31, 2026, comparable to the same prior-year period, despite a railway interruption caused by a third-party train derailment that impacted operations until January 12, 2026, with continued rail service disruptions thereafter until the rail operator's activities resumed to normal, as well as particularly challenging winter conditions;
- Iron ore concentrate stockpiled at Bloom Lake and at the Port of Sept-Îles decreased to 1.3 million wmt as at March 31, 2026, from 1.5 million wmt as at December 31, 2025; and
- Strong mining performance at Bloom Lake with 20.9 million wmt of material mined and hauled during the three-month period ended March 31, 2026, an increase of 3% compared to the same prior-year period, driven by additional and improved utilization of loading and drilling equipment and haul trucks availability.

**Financial Results**

- Revenues of $414.5 million for the three-month period ended March 31, 2026, compared to $425.3 million for the same period in 2025;
- C1 cash cost for the iron ore concentrate loaded onto vessels at the Port of Sept-Îles totalled $82.7/dmt[1] (US$60.3/dmt)[2] for the three-month period ended March 31, 2026, up from $80.0/dmt[1] (US$55.7/dmt)[2] for the same period in 2025. C1 cash cost for the period was negatively impacted by lower volumes transported to the port yard facilities due to rail service disruptions and severe winter conditions, along with a significant rise in fuel prices at the end of the quarter attributable to the conflict in the Middle East;
- Net income totalled $23.2 million for the three-month period ended March 31, 2026, representing EPS of $0.04, compared to net income of $39.1 million and EPS of $0.08 for the same period in 2025. This decrease was primarily driven by lower gross profit;
- EBITDA of $114.3 million[1] for the three-month period ended March 31, 2026, down from $127.4 million[1] for the same period in 2025;
- Net cash flows from operating activities of $152.1 million for the three-month period ended March 31, 2026, compared to $144.4 million for the same period in 2025, positively impacted by lower current income and mining taxes, partially offset by lower EBITDA;
- Cash balance, excluding the unused portion of the initial cash contributions from Nippon Steel and Sojitz that is held in a restricted cash account by the Kami Partnership, totalled $296.8 million as at March 31, 2026, an increase of $51.7 million since December 31, 2025, benefiting from robust net cash flows from operating activities, while the Company continued to advance the DRPF project and invest in sustainable capital expenditures;
- Strong available liquidity of $812.4 million[1] as at March 31, 2026, compared to $751.4 million[1] as at December 31, 2025, supporting growth initiatives and general corporate purposes; and
- The Board approved a revised shareholder return framework designed to adapt to market conditions, with future semi-annual dividends equivalent to 30% to 40% of the Company's trailing six-month free cash flows, and the potential for special dividends at the discretion of the Board (the "Dividend Policy"). The Dividend Policy provides flexibility for potentially higher dividend distributions in periods of strong financial results and low capital investments, while preserving the Company's balance sheet in periods of softer profitability and increased capital requirements. The Dividend Policy will apply to the semi-annual results of the 2027 financial year. While maintaining a continued focus on preserving the Company's liquidity in response to volatile macroeconomic conditions, the Board declared a semi-annual dividend of $0.02 per ordinary share on May 27, 2026 (Montréal) / May 28, 2026 (Sydney), in connection with the annual results for the period ended March 31, 2026.

[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection included in section 6 — Key Drivers of this Directors' Report.



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## 2. Quarterly Highlights (continued)

**Development and Growth Initiatives**

- On April 17, 2026, the Company completed the acquisition of 100% of the shares of Rana Gruber, a leading Norwegian producer of high-purity iron ore. The acquisition was completed at a total purchase price of approximately US$300 million, plus related fees and expenses (the "Acquisition"), which was funded by a combination of a newly secured 4-year US$150 million term loan (the "Term Loan"), the net proceeds of an equity private placement of US$100 million from Caisse de dépôt et placement du Québec ("La Caisse"), and cash on hand. Additional details on the Acquisition are provided in the Company's press release dated April 10, 2026 (Montréal), available under its profile on the ASX at www.asx.com.au, SEDAR+ at www.sedarplus.ca and the Company's website at www.championiron.com;
- In connection with the Acquisition, Champion and certain of its subsidiaries refinanced the Company's syndicated senior credit facilities, effective on April 1, 2026, in order to, among other things, extend the maturity to April 2030, establish the Term Loan and amend the US$400 million senior secured revolving credit facility, including to take into account the Acquisition; and
- The Kami Partnership received financial support from Natural Resources Canada, under the First and Last Mile Fund (formerly, the Critical Minerals Infrastructure Fund), to advance feasibility work for the Kami Project's key energy and transportation infrastructure.

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## 3. Dividend on Ordinary Shares

To align shareholder's interests with the Company's financial capacity, the Board approved a revised shareholder return framework for future dividends designed to adapt to market conditions. Under this Dividend Policy, the Company aims to provide semi-annual dividends equivalent to 30% to 40% of the Company's trailing six-month free cash flows (defined as cash flows from operating activities less cash flows used in investing activities, and net of lease liability payments), with the potential for special dividends at the discretion of the Board. The Dividend Policy provides flexibility for higher dividend distributions in periods of strong financial results and low capital investments, while preserving the Company's balance sheet in periods of softer profitability and increased capital requirements. The Dividend Policy will apply to the semi-annual results of the 2027 financial year.

While maintaining a continued focus on preserving the Company's liquidity in response to volatile macroeconomic conditions, the Board declared a semi-annual dividend of $0.02 per ordinary share on May 27, 2026 (Montréal) / May 28, 2026 (Sydney), in connection with the annual results for the period ended March 31, 2026. Registered shareholders at the close of business on June 12, 2026 (Montréal and Sydney), will be entitled to receive payment of the dividend on July 8, 2026 (Montréal and Sydney).

## 4. DRPF Project Update

The DRPF project is designed to upgrade Bloom Lake's second plant to produce approximately up to 7.5M wmt per year of DR quality pellet feed iron ore grading up to 69% Fe with a combined silica and alumina content below 1.2%. Benefiting from a rare high-purity resource, the Company has an opportunity to produce one of the highest quality DRPF products available on the seaborne market, which could attract a substantial premium over the Company's current high-purity 66.2% Fe iron ore concentrate.

During the three-month period ended March 31, 2026, the Company continued commissioning activities as scheduled and invested $39.0 million in the DRPF project, with cumulative investments totalling $479.5 million at the end of the quarter, compared to an estimated cumulative project investment of $500 million, in line with the inflation-adjusted estimated total capital expenditure of $470.7 million detailed in the project study highlights released in January 2023. During the three-month period ended March 31, 2026, the Company incurred expenditures that related mainly to late-stage construction activities, including mechanical, piping and electrical work, which are progressing in accordance with the project timeline. Commissioning activities advanced concurrently with construction work, with the strengthening of pre-operational verifications and wet commissioning, enabling the successful completion of initial production tests in March 2026. Remaining capital expenditures are expected to be incurred during the ramp-up period until initial saleable production is achieved, anticipated to occur by the end of June 2026. Full production capacity is expected to be achievable approximately one year after initial production testing. Accordingly, the Company could begin to realize the benefits from sales of DR quality iron ore concentrate in the second half of the 2026 calendar year.

In the short term, due to the DRPF project's commissioning phase and related tie-in work, the Company will likely experience temporary disruptions over several days at its second concentration plant, which are expected to negatively impact production during that time. Considering that iron ore inventories are being destocked at a robust pace, the interruptions caused by the DRPF commissioning may impact the cadence of iron ore volume sales in future periods. Accordingly, the Company is evaluating its iron ore inventory management strategies, which may include product blending and short-term stockpiling of different iron ore qualities.

The DRPF project ramp-up and product quality stabilization phase is expected to span over several months, following the initial shipments of DR quality iron ore. Until Champion successfully delivers the DRPF product that meets customers' quality specifications, sales may be directed to the spot market. Accordingly, during the ramp-up period, Champion does not expect to fully benefit from DRPF premiums or freight savings.

Additional details on the DRPF project, including key assumptions and capital costs, are provided in the Company's press release dated January 26, 2023 (Montréal), available under its profile on the ASX at www.asx.com.au, SEDAR+ at www.sedarplus.ca and the Company's website at www.championiron.com. Except for the inflation-adjusted estimated total capital expenditure as outlined above, the Company is not aware of any new information or data that materially affects the information included in the DRPF project study and confirms that all material assumptions and technical parameters underpinning the estimates in the DRPF project study continue to apply and have not materially changed.

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## 5. Kami Joint Arrangement

On April 1, 2021, the Company acquired the Kami mining properties located in the Labrador Trough geological belt in southwestern Labrador, near Québec's eastern border. The Kami Project is a DR grade quality iron ore project near available infrastructure, situated 21 kilometres southeast of the Company's operating Bloom Lake Mine.

On March 14, 2024, the Company voluntarily filed the Kami Project Study (as defined in section 06 — Mineral Resources and Orer Reserves Statement of this Directors' Report), which evaluated a 25-year LoM and an average annual DR quality iron ore concentrate production of approximately 9.0M wmt per year grading above 67.5% Fe.

On July 21, 2025, the Company entered into a framework agreement with the Partners to form the Kami Partnership for the joint ownership and potential development of the Kami Project (the "Framework Agreement"), pursuant to which the Partners agreed to initially contribute $245 million to acquire an aggregate 49% interest in the Kami Partnership (the "Kami Transaction").

On September 29, 2025, the Partners made their initial cash contributions in an aggregate amount of $68.6 million to secure their aggregate 49% interest in the Kami Partnership (the "Initial Closing") and paid their pro-rata share of the DFS costs already incurred by the Company. Until an FID is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests (refer to note 3 to the Financial Statements). The second closing of the Kami Transaction remains subject to the completion of a DFS, expected to be completed in the second half of the 2026 calendar year, and Champion and the Partners proceeding with positive IID elections to pursue work towards an FID, as well as other customary closing conditions (the "Second Closing"). Pursuant to the Second Closing, Nippon Steel and Sojitz would be required to make a subsequent contribution to the Kami Partnership in the aggregate amount of $176.4 million.

Through the Kami Transaction, the Kami Project can benefit from up to $480 million in cumulative contributions before Champion is required to provide additional capital beyond funds initially contributed by Nippon Steel and Sojitz. Additionally, Champion will retain operatorship of the Kami Partnership and may also receive future payments based on the Kami Partnership's financial performance, if and when the Kami Project becomes operational.

During the three-month period ended March 31, 2026, the Company and the Partners continued to advance exploration work and the DFS ahead of a potential IID and, ultimately, an FID. The Kami Partnership also received financial support from Natural Resources Canada, under the First and Last Mile Fund (formerly, the Critical Minerals Infrastructure Fund), to advance feasibility work for the Kami Project's key energy and transportation infrastructure.

Engagement with local stakeholders, including First Nations communities, remains a priority, reinforcing a collaborative approach to ensure the Kami Project delivers long-term regional benefits. Additionally, the Company is in discussions with various levels of government to explore potential additional support and is evaluating opportunities to enhance the Kami Project's economics.

Additional details on the Kami Project, including the Kami Project Study, are available on the Kami Project's website at www.kami.ca under the About Kami section. The information on the Kami Project's website is not incorporated by reference into this Directors' Report.

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## 6. Key Drivers

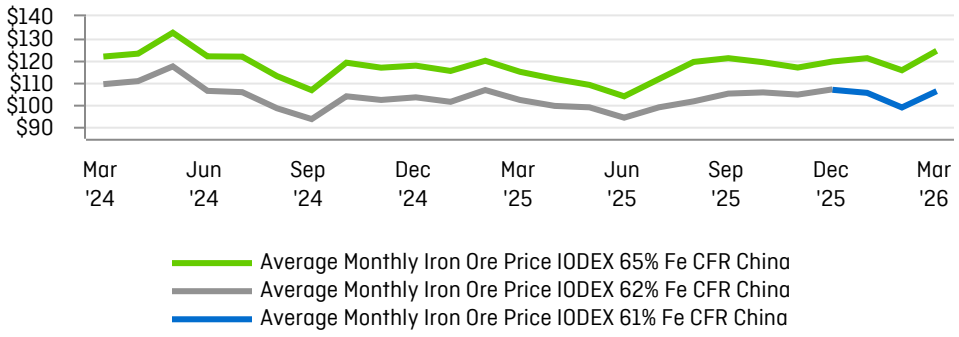
**Iron Ore Concentrate Price**

The price of iron ore concentrate is a critical factor influencing the Company's financial performance. The iron ore concentrate price fluctuates daily and is affected by several industries and macroeconomic factors beyond the Company's control. Due to the high-quality properties of its greater than 66% Fe iron ore concentrate, the Company's iron ore product has proven to attract a premium over the P61 index (formerly, the P62 index), widely used as the reference price in the industry. As such, the Company sells its products based on the high-purity P65 index. The premium captured by the P65 index is attributable to steel mills recognizing that higher iron ore grades offer the benefit of optimizing output while also significantly decreasing $CO_2$ emissions in the steelmaking process.

During the three-month period ended March 31, 2026, the P65 index averaged US$120.8/dmt, representing an increase of 3% year-over-year and 2% quarter-over-quarter. Following a softer start to the quarter, seasonally affected by the Chinese New Year, iron ore prices strengthened through March. Accordingly, iron ore prices recovered as China's authorities signaled economic policy support, combined with the ripple effect of the conflict in the Middle East which raised fuel prices, negatively impacting production and freight costs across the iron ore sector. Additionally, ongoing contract negotiations between China's state-backed iron ore purchasing entity and major suppliers also created tightness in certain iron ore grades. On the supply side, market availability remained broadly ample, supported by robust shipment volumes from major producers, despite normal seasonal weather-related disruptions. Notably, during the quarter, the premium of the P65 index over the new P61 index widened, reflecting continued preference for higher-purity material. Concurrently, portside inventories remained at historically elevated levels.

According to the World Steel Association[1], global crude steel production decreased by 2.3% year-over-year for the three-month period ended March 31, 2026, totalling 459.2 million tonnes. The decline was primarily driven by weaker output in China, where production fell by 4.6% year-over-year amid softer domestic demand, tighter steelmaking margins, and the usual seasonal slowdown during the Lunar New Year holiday and winter pollution-related controls. Additionally, Chinese steel exports, an important outlet for absorbing domestic surplus, moderated following the implementation of tighter export licensing requirements commencing in the beginning of the year. Growth in emerging markets remained resilient, underpinned by robust infrastructure-related demand, with India, Southeast Asia and the Middle East continuing to lead regional expansions.

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




[1] World Steel Association



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## 6. Key Drivers (continued)

**Iron Ore Concentrate Price** (continued)

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

- Certain sales are based on P65 index prices set in months prior to the beginning of the reporting quarter; and
- Sales remaining in the quarter are based on P65 index prices subsequent to the date of the sale, according to a mutually agreed final quotation period, which generally depends on the discharge date. Considering that vessels are subject to freight routes that usually take up to 55 days before reaching the port of discharge, these sales are influenced by the volatility of the P65 index prices after the date of the sale.
  - For tonnage sold early in the reporting quarter, the final quotation period may be within the reporting quarter. Those volumes are typically mostly exposed to the back-ended months of the reporting quarter due to the aforementioned typical freight routes.
  - For tonnage sold in the reporting quarter and for which the final quotation period is after the reporting quarter, the Company provisionally prices the sales based on the P65 index forward iron ore prices at quarter-end to estimate the selling price upon or after the vessel's arrival at the port of discharge. These tonnes are exposed to variations in iron ore index prices after the end of the quarter, in particular in the initial months of the following quarter due to the aforementioned typical freight routes. The impact of iron ore price fluctuations, compared to the estimated price at the end of the preceding quarter, is accounted for as a provisional pricing adjustment to revenues in the following quarter. Historically, sales volumes that remain exposed to provisional pricing adjustments at the end of a quarter represent approximately 30% to 80% of total quarterly sales volumes.

During the three-month period ended March 31, 2026, an average final price of US$117.2/dmt was established for the 2.5 million tonnes of iron ore that were subject to provisional pricing adjustments as at December 31, 2025, which were previously evaluated using an average expected price of US$117.4/dmt. Accordingly, during the three-month period ended March 31, 2026, negative pricing adjustments of $0.3 million were recorded for tonnes subject to provisional pricing adjustments as at December 31, 2025. For the total volume of 3.5 million dmt sold during the quarter ended March 31, 2026, the negative pricing adjustments represent US$0.1/dmt. As at March 31, 2026, 2.3 million tonnes of iron ore sold remained subject to provisional pricing adjustments, with a final selling price to be determined in subsequent reporting periods. A gross average forward provisional price of US$120.2/dmt was used as at March 31, 2026, to estimate the sales subject to final pricing.

The following table details the Company's gross revenue exposure, as at March 31, 2026, subject to movements in iron ore prices for the provisionally priced sales volume:

| | As at March 31, 2026 |
|---|---|
| Dry metric tonnes subject to provisional pricing adjustments | **2,328,900** |
| (in thousands of U.S. dollars) | |
| 10% increase in iron ore prices | **27,990** |
| 10% decrease in iron ore prices | **(27,990)** |

These sensitivities demonstrate the monetary impact on gross revenues in U.S. dollars resulting from a 10% increase and 10% decrease in gross realized selling prices as at March 31, 2026, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact net realized selling price in Canadian dollars. The above sensitivities should, therefore, be used with caution.

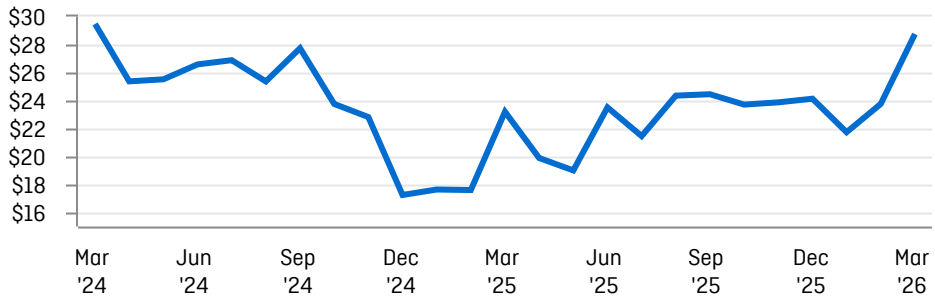
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## 6. Key Drivers (continued)

**Sea Freight**

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

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




During the three-month period ended March 31, 2026, the C3 index averaged US$24.8/t, up 27% year-over-year and 4% quarter-over-quarter. Freight rates increased materially late in the period as conflicts emerged in the Middle East, resulting in higher bunker fuel prices, increased war-risk related insurance premiums and vessel rerouting costs, which added volatility and upward pressure across dry bulk markets. Brazil-China freight rates consequently exceeded US$30/t in the final weeks of the quarter, reaching a multi-year high. Additionally, strong volumes of Brazilian iron ore, as well as Guinean bauxite shipments provided further support through Atlantic vessel demand and tighter freight market availability.

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

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

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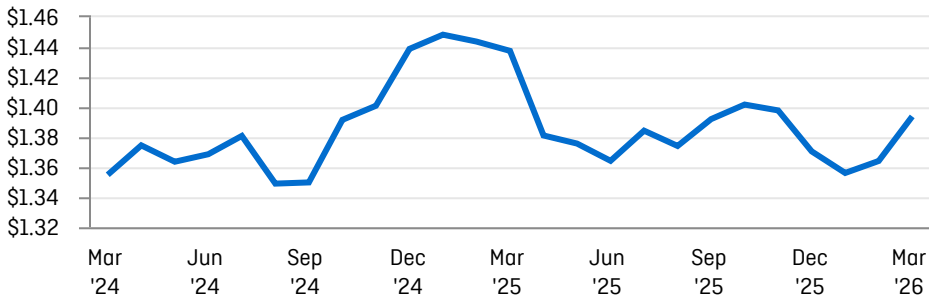
## 6. Key Drivers (continued)

**Currency**

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

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

**Monthly Closing Exchange Rate – C$/US$**




Exchange rates were as follows:

| | C$ / US$ | | | | | |
|---|---|---|---|---|---|---|
| | Average | | | Closing | | |
| | **FY2026** | FY2025 | Variance | **FY2026** | FY2025 | Variance |
| Q1 | **1.3841** | 1.3683 | 1 % | **1.3643** | 1.3687 | — % |
| Q2 | **1.3773** | 1.3641 | 1 % | **1.3921** | 1.3499 | 3 % |
| Q3 | **1.3947** | 1.3982 | — % | **1.3706** | 1.4389 | (5)% |
| Q4 | **1.3717** | 1.4352 | (4)% | **1.3939** | 1.4376 | (3)% |
| Year-end as at March 31 | **1.3820** | 1.3913 | (1)% | **1.3939** | 1.4376 | (3)% |

Apart from these key drivers, the Rana Gruber acquisition completed subsequent to year-end, and the risk factors that are described in the "Risk Factors" section of this Annual Report, Management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, operating results or financial condition.

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## 7. Bloom Lake Mine Operating Activities

| | Three Months Ended March 31, | | | Year Ended March 31, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| **Operating Data** | | | | | | |
| Waste mined and hauled (wmt) | **10,979,800** | 10,886,200 | 1 % | **46,920,300** | 36,637,700 | 28 % |
| Ore mined and hauled (wmt) | **9,915,100** | 9,470,100 | 5 % | **40,551,500** | 39,884,000 | 2 % |
| Material mined and hauled (wmt) | **20,894,900** | 20,356,300 | 3 % | **87,471,800** | 76,521,700 | 14 % |
| Stripping ratio | **1.11** | 1.15 | (3)% | **1.16** | 0.92 | 26 % |
| Ore milled (wmt) | **9,744,200** | 9,160,300 | 6 % | **40,655,700** | 39,674,900 | 2 % |
| Head grade Fe (%) | **28.8** | 29.2 | (1)% | **28.9** | 29.2 | (1)% |
| Fe recovery (%) | **80.6** | 78.3 | 3 % | **79.5** | 78.9 | 1 % |
| Product Fe (%) | **66.2** | 66.5 | — % | **66.4** | 66.4 | — % |
| Iron ore concentrate produced (wmt) | **3,435,100** | 3,167,000 | 8 % | **14,168,700** | 13,834,200 | 2 % |
| Iron ore concentrate sold (dmt) | **3,455,400** | 3,495,300 | (1)% | **15,033,400** | 13,491,200 | 11 % |

**Fourth Quarter of the 2026 Financial Year vs Fourth Quarter of the 2025 Financial Year**

Bloom Lake produced 3.4 million wmt of high-purity 66.2% Fe concentrate during the three-month period ended March 31, 2026, an 8% increase over the same period in 2025, mainly attributable to higher mill productivity and Fe recovery, partially offset by lower head grade. During the three-month period ended March 31, 2026, the Fe recovery rate increased to 80.6% from 78.3% for the same period in 2025, benefiting from improved performance of the gravimetric systems, following work programs and operational optimizations. While Fe recovery rates are expected to fluctuate in accordance with the mine plan and variations in ore grade, the Company remains focused on improving and stabilizing Fe recovery rates over time.

Iron ore concentrate sales volumes during the three-month period ended March 31, 2026, were comparable to the same prior-year period, and exceeded production for the fifth consecutive quarter, as the Company continued to destock iron ore concentrate inventories stockpiled at Bloom Lake and at the Port of Sept-Îles. Volumes sold were affected by a third-party train derailment that impacted rail services early in the period, with disruptions affecting a significant portion of the quarter. Despite this impact, cumulative iron ore concentrate inventories at Bloom Lake and at the port totalled 1.3 million wmt as at March 31, 2026, compared to 1.5 million wmt as at December 31, 2025. The Company is currently evaluating its on-site and port inventory management strategies in anticipation of the expected change to its product offering with DRPF quality iron ore, in order to maintain adequate levels of stockpiled iron ore saleable products, manage inventories of different iron ore qualities, production and sales logistics.

During the three-month period ended March 31, 2026, the Company mined and hauled 20.9 million wmt of waste and ore, exceeding the 20.4 million wmt recorded in the same prior-year period. This strong mining performance was driven by the addition of loading equipment and the recent commissioning of a new drill, as well as improved utilization and availability of haul trucks. The stripping ratio for the three-month period ended March 31, 2026 was 1.11, compared to a 1.15 ratio recorded in the same prior-year period. Champion anticipates maintaining this stripping cadence in upcoming periods, consistent with its LoM plan.

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## 7. Bloom Lake Mine Operating Activities (continued)

**2026 Financial Year vs 2025 Financial Year**

The Company produced 14.2 million wmt of high-purity iron ore concentrate during the year ended March 31, 2026, an annual record representing an increase of 2% compared to the previous year, during which production was interrupted for approximately one week due to nearby forest fires in July 2024. Challenges related to the ore hardness particularly impacted grinding efficiency and Fe recovery this year, mainly in the first financial quarter, during which Champion had to adjust its operating and maintenance strategies to manage varying ore feed characteristics. The Fe recovery rate for the year ended March 31, 2026, was 79.5%, compared to 78.9% for the previous year. During the year ended March 31, 2026, two scheduled annual power interruptions also impacted operations.

The iron ore head grade was 28.9% for the year ended March 31, 2026, consistent with the LoM head grade average and down from the 29.2% head grade average for the previous year.

Sales volumes reached 15.0 million dmt for the year ended March 31, 2026, an annual record representing an increase of 11%, compared to the previous year, mainly attributable to the addition of railcars and rolling stock by the Company and rail operator, respectively, from which Champion began to benefit during the second half of the previous year. The comparative period was also impacted by an interruption of rail haulage activities associated with an outage at the Company's load-out facility.

Due to the aforementioned elements, during the year ended March 31, 2026, the Company significantly reduced the level of iron ore concentrate stockpiled at Bloom Lake by 53% from the previous year, decreasing to 1.2 million wmt as at March 31, 2026, compared to 2.6 million wmt as at March 31, 2025.

The Company mined and hauled 87.5 million wmt of material during the year ended March 31, 2026, an annual record representing an increase of 14%, compared to 76.5 million wmt in the prior year, mostly attributable to Champion's investments in additional mining equipment during the second half of the previous year. The solid performance at the mine resulted in a stripping ratio of 1.16 for the year ended March 31, 2026, up from a stripping ratio of 0.92 recorded for the same period in the previous year.

## 8. Financial Performance

| | Three Months Ended March 31, | | | Year Ended March 31, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| **Financial Data** (in thousands of dollars) | | | | | | |
| Revenues | **414,505** | 425,345 | (3)% | **1,769,731** | 1,606,579 | 10 % |
| Cost of sales | **285,785** | 279,644 | 2 % | **1,180,823** | 1,056,243 | 12 % |
| Other expenses | **27,893** | 19,619 | 42 % | **97,000** | 81,221 | 19 % |
| Net finance costs | **19,733** | 11,286 | 75 % | **34,221** | 57,539 | (41)% |
| Net income | **23,186** | 39,140 | (41)% | **168,736** | 142,045 | 19 % |
| EBITDA[1] | **114,340** | 127,378 | (10)% | **499,324** | 471,290 | 6 % |
| **Statistics** (in dollars per dmt sold) | | | | | | |
| Gross average realized selling price[1] | **165.1** | 160.4 | 3 % | **157.7** | 163.2 | (3)% |
| Net average realized selling price[1] | **120.0** | 121.7 | (1)% | **117.7** | 119.1 | (1)% |
| C1 cash cost[1] | **82.7** | 80.0 | 3 % | **78.5** | 78.3 | — % |
| AISC[1] | **96.9** | 93.1 | 4 % | **94.9** | 94.9 | — % |
| Cash operating margin[1] | **23.1** | 28.6 | (19)% | **22.8** | 24.2 | (6)% |

[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.



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## 8. Financial Performance (continued)

### A. Revenues

| | Three Months Ended March 31, | | | Year Ended March 31, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| **Indexes** (in U.S. dollars per tonne) | | | | | | |
| P65 | **120.8** | 116.9 | 3 % | **116.4** | 118.7 | (2)% |
| C3 | **24.8** | 19.5 | 27 % | **23.3** | 23.4 | — % |
| **Statistics** (in dollars per dmt sold)[2] | | | | | | |
| Gross average realized selling price[1] | **120.5** | 111.8 | 8 % | **114.1** | 117.3 | (3)% |
| Freight and other costs | **(32.9)** | (28.0) | 18 % | **(29.8)** | (31.4) | (5)% |
| Provisional pricing adjustments | **(0.1)** | 1.1 | (109)% | **0.9** | (0.4) | (325)% |
| **US$ Net average realized FOB selling price[1]** | **87.5** | 84.9 | 3 % | **85.2** | 85.5 | — % |
| **C$ Net average realized FOB selling price[1]** | **120.0** | 121.7 | (1)% | **117.7** | 119.1 | (1)% |

**Fourth Quarter of the 2026 Financial Year vs Fourth Quarter of the 2025 Financial Year**

Revenues totalled $414.5 million for the three-month period ended March 31, 2026, a decrease of $10.8 million from $425.3 million in the same period in 2025. As outlined in the previous section, with similar sales volumes, lower revenues were attributable to a stronger Canadian dollar during the three-month period ended March 31, 2026, compared to the same period last year, partially offset by a higher average net realized selling price in U.S. dollars.

For the three-month period ended March 31, 2026, the gross average realized selling price of US$120.5/dmt[1] was in line with the P65 index average price of US$120.8/dmt. The 2.3 million dmt of iron ore subject to pricing adjustments as at March 31, 2026, were evaluated using an average forward selling price of US$120.2/dmt, which is comparable to the P65 index average price for the period. In addition, index prices on sales contracts based on backward-looking pricing were also comparable to the P65 index average price during the period. During the quarter, the Company continued to prepare for the transition to a higher-purity DRPF product and intentionally reduced volumes sold under long-term sales contracts to retain a greater proportion of its available iron ore products for the short-term and spot markets, which have recently experienced greater pricing volatility and discounts.

Negative provisional pricing adjustments on prior-quarter sales of $0.3 million were recorded during the three-month period ended March 31, 2026, representing an unfavourable impact of US$0.1/dmt for the 3.5 million dmt sold during the quarter. A final average selling price of US$117.2/dmt was established for the 2.5 million dmt of iron ore subject to pricing adjustments as at December 31, 2025, which were provisionally priced at US$117.4/dmt.

Freight and other costs totalled US$32.9/dmt during the three-month period ended March 31, 2026, representing an 18% increase compared to US$28.0/dmt in the same prior-year period, mainly driven by a 27% rise in the average C3 index. Freight costs recognized during the period partially reflect the recent increase in market rates driven by the escalation of the conflict in Iran as outlined in section 6 – Key Drivers. The rise in the C3 index observed in March 2026 should be reflected in the next quarter considering that Champion books vessels three to five weeks prior to the desired laycan period.

After taking into account sea freight and other costs of US$32.9/dmt and the negative provisional pricing adjustments of US$0.1/dmt, the Company obtained a net average realized selling price of US$87.5/dmt (C$120.0/dmt[1]) for its high-purity iron ore concentrate shipped during the three-month period ended March 31, 2026.

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[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

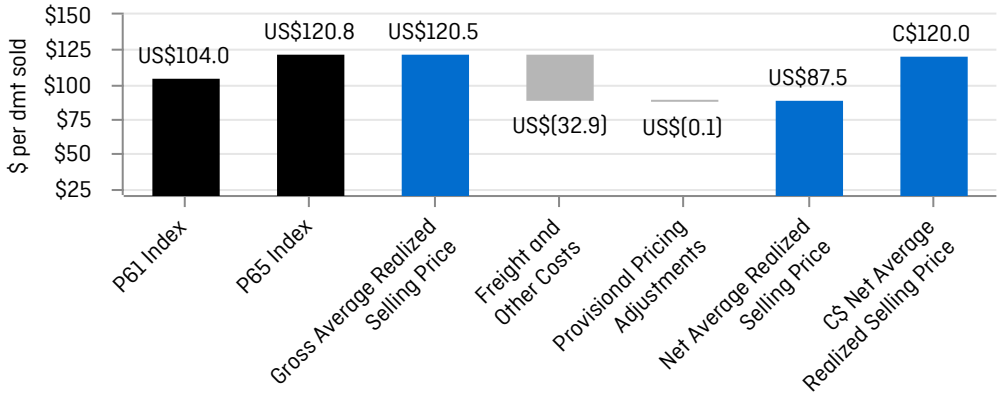
[2] See the "Currency" subsection included in section 6 — Key Drivers of this Directors' Report.

## 8. Financial Performance (continued)

**A. Revenues** (continued)

**Fourth Quarter of the 2026 Financial Year vs Fourth Quarter of the 2025 Financial Year** (continued)

**Q4 FY2026 Net Average Realized Selling Price**




**2026 Financial Year vs 2025 Financial Year**

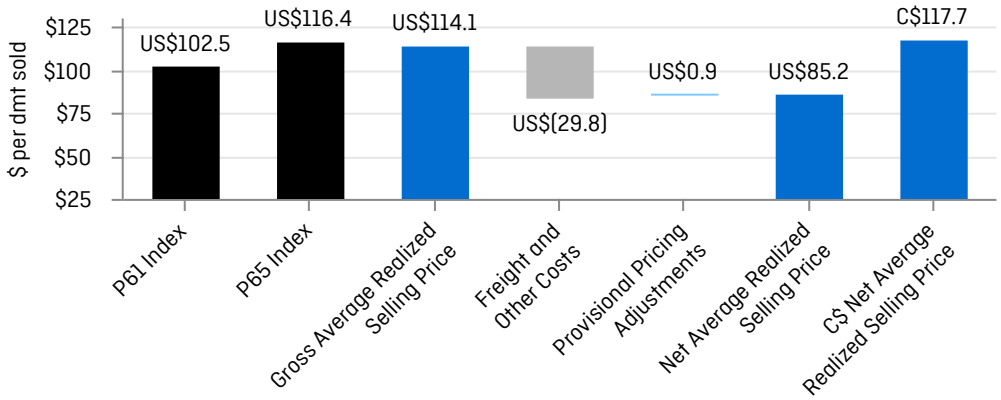
Revenues totalled $1,769.7 million for the year ended March 31, 2026, an increase of $163.2 million, compared to $1,606.6 million for the previous year, mainly due to an 11% year-over-year increase in sales volumes, outlined in the previous section.

The Company sold its product at a gross average realized selling price of US$114.1/dmt[1] for the year ended March 31, 2026, below the P65 index average price of US$116.4/dmt for the period. In preparation for the planned transition to include higher purity DRPF material in its product offering in the 2026 calendar year, Champion strategically reduced the volume of iron ore concentrate sold under long-term sales contracts, retaining a greater proportion of its iron ore concentrate production for short-term and spot markets, which have experienced greater pricing volatility and pricing discounts.

Freight and other costs for the year ended March 31, 2026, totalled US$29.8/dmt, a decrease of 5% compared to the previous year, while the average C3 index was comparable.

After accounting for sea freight and other costs of US$29.8/dmt and positive provisional pricing adjustments of US$0.9/dmt, the Company achieved a net average realized selling price of US$85.2/dmt (C$117.7/dmt)[1] for its high-purity iron ore concentrate sold during the period.

**FY2026 Net Realized Selling Price**




[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.



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## 8. Financial Performance (continued)

### B. Cost of Sales and C1 Cash Cost

| | Three Months Ended March 31, | | | Year Ended March 31, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| Iron ore concentrate produced (dmt) | **3,326,200** | 3,069,200 | 8 % | **13,729,900** | 13,415,200 | 2 % |
| Iron ore concentrate sold (dmt) | **3,455,400** | 3,495,300 | (1)% | **15,033,400** | 13,491,200 | 11 % |
| (in thousands of dollars, except per dmt data) | | | | | | |
| Mining and processing costs | **199,489** | 190,391 | 5 % | **732,798** | 721,785 | 2 % |
| Change in iron ore concentrate inventories | **3,931** | 5,792 | (32)% | **75,342** | (9,378) | (903)% |
| Land transportation and port handling costs | **82,365** | 83,461 | (1)% | **372,683** | 343,836 | 8 % |
| **Cost of sales** | **285,785** | 279,644 | 2 % | **1,180,823** | 1,056,243 | 12 % |
| **C1 cash cost per dmt sold[1]** | **82.7** | 80.0 | 3 % | **78.5** | 78.3 | — % |
| Mining and processing costs per dmt produced[1] | **60.0** | 62.0 | (3)% | **53.4** | 53.8 | (1)% |
| Land transportation and port handling costs per dmt sold[1] | **23.8** | 23.9 | — % | **24.8** | 25.5 | (3)% |

**Fourth Quarter of the 2026 Financial Year vs Fourth Quarter of the 2025 Financial Year**

For the three-month period ended March 31, 2026, the cost of sales totalled $285.8 million with a C1 cash cost of $82.7/dmt[1], compared to $279.6 million with a C1 cash cost of $80.0/dmt[1] for the same period in 2025.

Despite a significant rise in fuel prices at the end of the quarter, attributable to the conflict in the Middle East, mining and processing costs totalled $60.0/dmt produced[1] for the three-month period ended March 31, 2026, representing a 3% decrease, compared to $62.0/dmt produced[1] in the same prior-year period, mainly resulting from an 8% increase in production volumes.

Land transportation and port handling costs include both fixed and variable components and are significantly influenced by the volume hauled from Fermont to the Port of Sept-Îles. Although shipment volumes were substantially lower than in the comparative period, overall costs remained broadly comparable. The decrease in volumes, driven by the train derailment and severe winter conditions, previously outlined, reduced volume-based rebates and resulted in lower absorption of fixed costs. Semi-annual contractual price indexation also contributed to higher land transportation and port handling costs during the quarter. Despite these factors, land transportation and port handling costs per tonne sold for the three-month period ended March 31, 2026, were $23.8/dmt sold[1], consistent with the prior-year period, reflecting comparable sales volumes.

The C1 cash cost was also impacted by changes in the valuation of iron ore concentrate inventory, which incorporate mining and processing costs from the previous quarter, along with variations in production and sales volumes.

**2026 Financial Year vs 2025 Financial Year**

For the year ended March 31, 2026, the cost of sales totalled $1,180.8 million with a C1 cash cost of $78.5/dmt[1], compared to $1,056.2 million with a C1 cash cost of $78.3/dmt[1] for the previous year.

Mining and processing costs for the 13.7 million dmt produced in the year ended March 31, 2026, totalled $53.4/dmt produced[1], comparable to the previous year as the 2% cost increase was more than offset by higher production volumes. Higher mining costs, driven by increased stripping activities, with an additional 10.3 million tonnes of waste mined and hauled during the year ended March 31, 2026, compared to the previous year, were partially offset by lower processing costs resulting from reduced subcontracting expenses.

Land transportation and port handling costs for the year ended March 31, 2026, were $24.8/dmt sold[1], compared to $25.5/dmt sold[1] for the previous year. This decrease was due to higher sales volumes favourably impacting fixed port handling costs, and volume discounts from higher tonnage hauled.

The C1 cash cost was also impacted by changes in iron ore concentrate inventory valuation, which incorporate mining and processing costs from the previous quarters, along with variations in production and sales volumes. The 1.4 million wmt reduction in stockpiled iron ore concentrate inventory during the year negatively impacted cash costs, as the valuation of these tonnes reflected higher production costs.

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## 8. Financial Performance (continued)

### C. Other Expenses

| (in thousands of dollars) | Three Months Ended March 31, 2026 | 2025 | Variance | Year Ended March 31, 2026 | 2025 | Variance |
|---|---|---|---|---|---|---|
| Share-based payments | **598** | (712) | (184)% | **11,644** | 5,397 | 116 % |
| General and administrative expenses | **17,836** | 12,457 | 43 % | **55,055** | 48,734 | 13 % |
| Sustainability and other community expenses | **5,714** | 4,972 | 15 % | **19,938** | 18,562 | 7 % |
| Innovation and growth initiatives | **3,745** | 2,902 | 29 % | **10,363** | 8,528 | 22 % |
| | **27,893** | 19,619 | 42 % | **97,000** | 81,221 | 19 % |

For the three-month period and year ended March 31, 2026, share-based payments were impacted by the change in value of the related liability, which varies based on the price of the Company's shares at each reporting date, and the quarterly vesting. The increase in general and administrative expenses for the three-month period and year ended March 31, 2026, was mainly attributable to legal and consultant fees in relation to the Rana Gruber acquisition and increased management activities related to the Kami Partnership. Sustainability and community-related expenses, as well as innovation and growth initiative expenses, for the three-month period and year ended March 31, 2026, were higher than in the same prior-year periods, mainly due to higher workforce-related costs.

### D. Net Finance Costs

| (in thousands of dollars) | Three Months Ended March 31, 2026 | 2025 | Variance | Year Ended March 31, 2026 | 2025 | Variance |
|---|---|---|---|---|---|---|
| Interest expense on long-term debt | **9,985** | 6,759 | 48 % | **36,694** | 28,083 | 31 % |
| Standby commitment fees on long-term debt | **734** | 660 | 11 % | **2,893** | 2,792 | 4 % |
| Interest expense on lease liabilities | **1,539** | 1,288 | 19 % | **6,012** | 4,370 | 38 % |
| Interest income | **(2,413)** | (1,003) | 141 % | **(9,178)** | (9,618) | (5)% |
| Other finance costs | **1,401** | 4,299 | (67)% | **8,779** | 13,577 | (35)% |
| | **11,246** | 12,003 | (6)% | **45,200** | 39,204 | 15 % |
| Realized and unrealized foreign exchange loss (gain) | **8,487** | (717) | (1284)% | **(10,979)** | 18,335 | (160)% |
| | **19,733** | 11,286 | 75 % | **34,221** | 57,539 | (41)% |

**Fourth Quarter of the 2026 Financial Year vs Fourth Quarter of the 2025 Financial Year**

The Company recorded net finance costs, before a realized and unrealized foreign exchange loss (gain), of $11.2 million for the three-month period ended March 31, 2026, broadly comparable to the same period in 2025. Higher interest expenses on long-term debt, associated with a higher debt balance, were partially offset by higher borrowing costs capitalized on the DRPF project which totalled $8.6 million during the quarter, compared to $5.7 million for the same prior-year period.

The foreign exchange loss of $8.5 million for the three-month period ended March 31, 2026, resulted from the revaluation of net monetary liabilities denominated in U.S. dollars. The depreciation of the Canadian dollar at the end of the quarter, compared to December 31, 2025, on the Company's net payable position, mainly consisting of borrowings, lease liabilities, trade receivables, and cash denominated in U.S. dollars, contributed to the increase in net finance costs.

**2026 Financial Year vs 2025 Financial Year**

Net finance costs, before a realized and unrealized foreign exchange loss (gain), increased to $45.2 million for the year ended March 31, 2026, compared to $39.2 million for the previous year. This increase was primarily driven by higher interest expenses, with a higher debt balance during the year, partially offset by higher capitalization of borrowing costs related to the construction of the DRPF infrastructure. During the year ended March 31, 2026, borrowing costs of $31.2 million were capitalized, compared to $16.7 million for the previous year, reflecting the construction progress of the project and the build-up of qualifying assets.

The foreign exchange gain of $11.0 million for the year ended March 31, 2026, resulted from the revaluation of net monetary liabilities denominated in U.S. dollars, with the strengthening of the Canadian dollar against the U.S. dollar as at March 31, 2026, compared to March 31, 2025.

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## 8. Financial Performance (continued)

### E. Income Taxes

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

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

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

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.50% for the year ended March 31, 2026 (2025: 26.50%).

During the three-month period and year ended March 31, 2026, current income and mining tax expenses totalled $5.2 million and $40.7 million, respectively, compared to $34.2 million and $79.1 million, respectively, for the same periods in 2025. This decrease was mainly attributable to a higher amortizable asset tax base which increased deductible tax depreciation. With net tax payments of $73.0 million during the year ended March 31, 2026, and a payable net balance of $22.7 million as at March 31, 2025, the Company had net income and mining taxes receivable of $9.6 million as at March 31, 2026.

During the three-month period and year ended March 31, 2026, deferred income and mining tax expenses totalled $22.7 million and $75.4 million, respectively, compared to $1.3 million and $44.0 million, respectively, for the same periods in 2025. The variation in deferred tax expenses was mainly attributable to temporary differences between the carrying amounts of property, plant and equipment and the tax basis.

The combined provincial and federal statutory tax and mining tax rate was 38% and the Company's effective tax rate was 41% for the year ended March 31, 2026, compared to 46% for the previous year. The lower effective tax rate for the current period was mainly due to the impact of foreign exchange losses (not deductible) or gains (not taxable) and the withholding tax associated with the dividend received from QIO.

### F. Net Income & EBITDA

**Fourth Quarter of the 2026 Financial Year vs Fourth Quarter of the 2025 Financial Year**

For the three-month period ended March 31, 2026, the Company generated net income of $23.2 million (EPS of $0.04), compared to $39.1 million (EPS of $0.08) for the same prior-year period. These decreases were mainly attributable to a lower gross profit and an unrealized foreign exchange loss resulting from the revaluation of net monetary liabilities denominated in U.S. dollars, partially offset by the change in fair value of derivative assets and lower income and mining taxes.

For the three-month period ended March 31, 2026, the Company generated EBITDA of $114.3 million[1], representing an EBITDA margin of 28%[1], compared to $127.4 million[1], representing an EBITDA margin of 30%[1], for the same period in 2025. With comparable sales volumes, lower EBITDA and EBITDA margins were mainly driven by a stronger Canadian dollar compared to the same period last year, which negatively impacted net average realized selling price, and a higher cash cost, partially offset by an increase in the fair value of derivative assets.

**2026 Financial Year vs 2025 Financial Year**

For the year ended March 31, 2026, the Company generated net income of $168.7 million (EPS of $0.32), compared to $142.0 million (EPS of $0.27) for the previous year. These increases were mainly due to an unrealized foreign exchange gain resulting from the revaluation of net monetary liabilities denominated in U.S. dollars and the change in fair value of derivative assets, partially offset by lower operating income.

For the year ended March 31, 2026, the Company generated EBITDA of $499.3 million[1], representing an EBITDA margin of 28%[1], compared to $471.3 million[1], representing an EBITDA margin of 29%[1], for the previous year. This increase in EBITDA was mainly attributable to higher sales volumes. The decrease in EBITDA margin was attributable to revenues increasing at a higher rate than EBITDA.

[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.



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## 8. Financial Performance (continued)

### G. All-in Sustaining Cost & Cash Operating Margin

| | Three Months Ended March 31, | | | Year Ended March 31, | | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | Variance | **2026** | 2025 | Variance |
| Iron ore concentrate sold (dmt) | **3,455,400** | 3,495,300 | (1)% | **15,033,400** | 13,491,200 | 11 % |
| (in dollars per dmt sold) | | | | | | |
| Net average realized selling price[1] | **120.0** | 121.7 | (1)% | **117.7** | 119.1 | (1)% |
| C1 cash cost[1] | **82.7** | 80.0 | 3 % | **78.5** | 78.3 | — % |
| Sustaining capital expenditures | **9.0** | 9.5 | (5)% | **12.7** | 13.0 | (2)% |
| General and administrative expenses | **5.2** | 3.6 | 44 % | **3.7** | 3.6 | 3 % |
| **AISC[1]** | **96.9** | 93.1 | 4 % | **94.9** | 94.9 | — % |
| **Cash operating margin[1]** | **23.1** | 28.6 | (19)% | **22.8** | 24.2 | (6)% |

**Fourth Quarter of the 2026 Financial Year vs Fourth Quarter of the 2025 Financial Year**

During the three-month period ended March 31, 2026, the Company realized an AISC of $96.9/dmt[1], compared to $93.1/dmt[1] for the same period in 2025. This increase was mainly due to higher cash cost and general and administrative expenses, while sustaining capital expenditures were mostly in line with the comparative period.

The Company generated a cash operating margin of $23.1/dmt[1] for each tonne of high-purity iron ore concentrate sold during the three-month period ended March 31, 2026, compared to $28.6/dmt[1] for the same prior-year period. This decrease was mainly due to a higher AISC for the period.

**2026 Financial Year vs 2025 Financial Year**

During the year ended March 31, 2026, the Company recorded an AISC of $94.9/dmt[1], consistent with the previous year. Higher iron ore concentrate sales volumes contributed to lower unit costs, offsetting the rise in cost of sales, sustaining capital expenditures and general and administrative expenses, favourably impacting AISC for the period.

The cash operating margin totalled $22.8/dmt[1] for the year ended March 31, 2026, compared to $24.2/dmt[1] for the previous year. This decrease was due to a lower net average realized selling price for the period, as the AISC remained stable year-over-year.

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## 9. Exploration Activities and Regional Growth

During the year ended March 31, 2026, the Company maintained all its properties in good standing and did not enter into any farm-in arrangements. As outlined in section 5 — Kami Joint Arrangement of this Directors' Report, the Company transferred its Kami properties to the Kami Partnership and, on September 29, 2025, an aggregate 49% interest in the Kami Partnership was acquired by Nippon Steel and Sojitz in exchange for cash contributions. The Kami Partnership was created to jointly conduct and fund certain components of the DFS on a pro-rata basis, in accordance with the Partners' respective ownership interests.

During the three-month period and year ended March 31, 2026, $1.3 million and $17.6 million in exploration and evaluation expenditures were incurred, respectively, compared to $11.0 million and $27.7 million, respectively, for the same prior-year periods. The lower investment level year-over-year reflected the transfer of the Kami properties to the Kami Partnership and the Partners' acquisition of the aggregate 49% interest in the Kami Partnership in September 2025.

Exploration and evaluation expenditures were related to activities carried out in Québec and Newfoundland and Labrador. Details on exploration projects, including maps, are available on the Company's website at www.championiron.com under the Operations & Projects section.

## 10. Cash Flows

The following table summarizes cash flow activities:

| | Three Months Ended March 31, | | Year Ended March 31, | |
|---|---|---|---|---|
| (in thousands of dollars, except per share data) | **2026** | 2025 | **2026** | 2025 |
| Operating cash flows before working capital | **89,355** | 83,043 | **430,409** | 367,326 |
| Changes in non-cash operating working capital | **62,707** | 61,335 | **5,522** | (63,308) |
| Net cash flows from operating activities | **152,062** | 144,378 | **435,931** | 304,018 |
| Net cash flows used in investing activities | **(91,388)** | (111,568) | **(424,429)** | (615,749) |
| Net cash flows from (used in) financing activities | **(12,980)** | (8,777) | **164,385** | 23,414 |
| **Net increase (decrease) in cash** | **47,694** | 24,033 | **175,887** | (288,317) |
| Effects of exchange rate changes on cash | **4,002** | 322 | **3,450** | 5,707 |
| **Cash, beginning of the period** | **245,092** | 93,096 | **117,451** | 400,061 |
| **Cash, end of the period** | **296,788** | 117,451 | **296,788** | 117,451 |
| **Operating cash flow per share[1]** | **0.29** | 0.28 | **0.82** | 0.59 |

### A. Operating

During the three-month period ended March 31, 2026, the Company generated operating cash flows of $89.4 million before changes in working capital items, an increase of $6.3 million, compared to $83.0 million for the same prior-year period, mainly driven by lower current income and mining taxes of $29.0 million, partially offset by lower EBITDA of $13.0 million[1] and a change in the fair value of derivative assets of $11.0 million. The changes in non-cash operating working capital increased cash flows from operating activities by $62.7 million during the period, mainly due to lower trade receivables, partially offset by higher prepaid expenses. The operating cash flow per share for the three-month period ended March 31, 2026, was $0.29[1], compared to $0.28[1] for the same prior-year period.

During the year ended March 31, 2026, the Company's operating cash flows before working capital items totalled $430.4 million, compared to $367.3 million for the previous year, mostly driven by higher EBITDA of $28.0 million[1] and a $38.4 million decrease in current income and mining taxes. The changes in non-cash operating working capital positively impacted operating cash flows by $5.5 million due to lower inventories and lower trade receivables, partially offset by lower accounts payable and lower income and mining taxes payable. These variations are detailed in section 11 — Financial Position of this Directors' Report. The operating cash flow per share for the year ended March 31, 2026, totalled $0.82[1], compared to $0.59[1] for the previous year.

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## 10. Cash Flows (continued)

**B. Investing**

i. Purchase of Property, Plant and Equipment

| | Three Months Ended March 31, | | Year Ended March 31, | |
|---|---|---|---|---|
| (in thousands of dollars) | **2026** | 2025 | **2026** | 2025 |
| Tailings lifts | **8,276** | 6,150 | **67,573** | 71,765 |
| Stripping and mining activities | **9,900** | 15,372 | **48,948** | 48,679 |
| Other sustaining capital expenditures | **12,986** | 11,708 | **73,748** | 54,906 |
| **Sustaining Capital Expenditures** | **31,162** | 33,230 | **190,269** | 175,350 |
| DRPF project | **38,997** | 51,773 | **139,978** | 244,250 |
| Other capital development expenditures at Bloom Lake | **19,573** | 14,460 | **65,180** | 156,775 |
| **Purchase of Property, Plant and Equipment as per Cash Flows** | **89,732** | 99,463 | **395,427** | 576,375 |

**Sustaining Capital Expenditures**

The tailings-related investments for the three-month period and year ended March 31, 2026, were in line with the Company's long-term plan to support the LoM operations. As part of its ongoing tailings infrastructure monitoring and inspections, Champion remains committed to its safe tailings strategy and continues to implement its long-term investment plan for tailings infrastructure.

During the third quarter of the 2025 financial year, the Company proceeded with the expansion of its tailings and waste storage capacity to accommodate increased operational throughput, and also initiated other expansion phases in the current year. Tailings-related construction activities are typically conducted between May and November, when weather conditions are more favourable.

Stripping and mining activities for the three-month period and year ended March 31, 2026, were comprised of $3.9 million and $21.7 million, respectively, of mine development costs, including topographic and pre-cut drilling work, the details of which are contained in the Company's mine plan ($2.5 million and $29.5 million, respectively, for the same periods in 2025). During the three-month period and year ended March 31, 2026, stripping and mining activities were also comprised of $6.0 million and $27.2 million, respectively, of capitalized stripping costs ($12.9 million and $19.2 million, respectively, for the same periods in 2025).

Other sustaining capital investments for the three-month period and year ended March 31, 2026, mainly included expenditures related to mining equipment rebuild programs. These are aligned with the Company's long-term investment strategy to support growth initiatives across the LoM.

**DRPF Project**

During the three-month period and year ended March 31, 2026, the Company spent $39.0 million and $140.0 million, respectively, in capital expenditures related to the DRPF project ($51.8 million and $244.3 million, respectively, for the same prior-year periods). Investments during the year mainly consisted of construction activities, including mechanical, piping and electrical work, all of which are progressing as planned. Cumulative investments totalled $479.5 million as at March 31, 2026. A detailed description of the project is presented in section 4 — DRPF Project Update of this Directors' Report.

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## 10. Cash Flows (continued)

**B. Investing** (continued)

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

**Other Capital Development Expenditures at Bloom Lake**

During the three-month period and year ended March 31, 2026, other capital development expenditures at Bloom Lake totalled $19.6 million and $65.2 million, respectively ($14.5 million and $156.8 million, respectively, for the same periods in 2025), and are detailed as follows:

| | Three Months Ended March 31, | | Year Ended March 31, | |
|---|---|---|---|---|
| (in thousands of dollars) | **2026** | 2025 | **2026** | 2025 |
| Infrastructure improvements and conformity (i) | **4,023** | 6,000 | **24,203** | 36,828 |
| Mine maintenance garage expansion | **152** | 847 | **681** | 8,922 |
| Deposits or final payment for mining equipment | **1,611** | 2,752 | **17,812** | 22,289 |
| Railcars | **—** | — | **—** | 69,370 |
| Other (ii) | **13,787** | 4,861 | **22,484** | 19,366 |
| **Other Capital Development Expenditures at Bloom Lake** | **19,573** | 14,460 | **65,180** | 156,775 |

(i) Infrastructure improvements and conformity expenditures included various capital projects aimed at improving the performance or capacity of assets and complying with various regulations governing mining practices.

(ii) Other expenditures included cash borrowing costs capitalized on the DRPF project.

ii. Other Main Investing Activities

During the three-month period and year ended March 31, 2026, the Company invested $1.3 million and $17.6 million, respectively, in exploration and evaluation assets ($11.0 million and $27.7 million, respectively, for the same prior-year periods) and made advance payments of $0.2 million and $10.0 million, respectively, to third-party service providers for major replacement parts and asset improvement capital expenditures ($0.9 million and $10.1 million, respectively, for the same prior-year periods).

**C. Financing**

During the three-month period ended March 31, 2026, the Company made capital repayments on its lease liabilities of $4.5 million ($3.2 million for the same prior-year period), and repaid $8.5 million on its long-term debt (net repayment of $5.5 million for the same prior-year period).

During the year ended March 31, 2026, the Company made two dividend payments to shareholders totalling $106.7 million ($103.6 million for the same prior-year period) and La Caisse exercised warrants to acquire 15 million ordinary shares of Champion, resulting in total proceeds to the Company of $36.7 million. In addition, Champion issued US$500 million of 7-year Senior Unsecured Notes for net proceeds, after transaction costs, of $666.8 million. Concurrently, the Company used the proceeds from the notes offering to repay its senior credit facilities totalling $456.3 million. During the year ended March 31, 2026, the Company also made a net drawdown on its long-term debt of $40.4 million ($136.8 million for the same prior-year period) and made payments on lease liabilities of $16.6 million ($9.3 million for the same prior-year period).

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## 11. Financial Position

The following table details the changes to the consolidated statements of financial position:

| (in thousands of dollars) | **As at March 31, 2026** | As at March 31, 2025 | Variance |
|---|---|---|---|
| Cash | **296,788** | 117,451 | 153 % |
| Receivables | **179,652** | 202,470 | (11)% |
| Inventories | **289,341** | 357,489 | (19)% |
| Other current assets | **61,869** | 54,895 | 13 % |
| **Total Current Assets** | **827,650** | 732,305 | 13 % |
| Advance payments | **80,368** | 76,307 | 5 % |
| Property, plant and equipment | **2,322,105** | 2,046,406 | 13 % |
| Exploration and evaluation assets | **98,370** | 148,029 | (34)% |
| Other non-current assets | **95,644** | 27,154 | 252 % |
| Investment in a joint venture | **73,124** | — | 100 % |
| **Total Assets** | **3,497,261** | 3,030,201 | 15 % |
| **Total Current Liabilities** | **318,744** | 358,682 | (11)% |
| Long-term debt | **922,136** | 666,576 | 38 % |
| Lease liabilities | **93,791** | 78,619 | 19 % |
| Provisions | **131,873** | 141,628 | (7)% |
| Net deferred tax liabilities | **400,483** | 325,105 | 23 % |
| Other non-current liabilities | **95,975** | 24,193 | 297 % |
| **Total Liabilities** | **1,963,002** | 1,594,803 | 23 % |
| **Total Equity** | **1,534,259** | 1,435,398 | 7 % |
| **Total Liabilities and Equity** | **3,497,261** | 3,030,201 | 15 % |

**Assets**

The Company's cash balance on March 31, 2026, compared to the amount held on March 31, 2025, is detailed in section 10 — Cash Flows of this Directors' Report.

The decrease in receivables was mostly attributable to the settlement of the Kami DFS costs, concurrently with the Initial Closing of the Kami Transaction, as outlined in section 5 — Kami Joint Arrangement of this Directors' Report. Lower trade receivables also contributed to the decrease in receivables, primarily due to lower uncollected shipments at year-end, partially offset by higher forward prices as at March 31, 2026, compared to March 31, 2025.

The decrease in inventories was mainly attributable to the reduced volume of iron ore concentrate stockpiled as at March 31, 2026, compared to March 31, 2025.

The additions to property, plant and equipment are detailed in section 10 — Cash Flows of this Directors' Report. The increase was also attributable to additional right-of-use assets related to certain equipment.

The new investment in a joint venture and the decrease in exploration and evaluation assets are discussed in section 5 — Kami Joint Arrangement of this Directors' Report.

The increase in other non-current assets was primarily due to a $55.4 million receivable from the Kami Partnership, corresponding to the $68.6 million initial cash contributions from Nippon Steel and Sojitz made on September 29, 2025, less the Company's pro-rata share of the costs incurred thereafter.

**Liabilities and Equity**

The decrease in current liabilities was mainly attributable to the timing of payments to suppliers and lower income and mining taxes payable, partially offset by new mobile equipment lease liabilities and higher interest expense accrued on the US$500 million Senior Unsecured Notes completed on July 2, 2025.

The increase in long-term debt was mainly attributable to closing the US$500 million Senior Unsecured Notes offering, partially offset by the repayment of the Company's senior term loan and revolving facility, as well as an unrealized foreign exchange gain on long-term debt denominated in U.S. dollars.

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## 11. Financial Position (continued)

**Liabilities and Equity** (continued)

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

Other non-current liabilities included a $68.6 million liability, representing the maximum amount repayable to the Partners if they exercise their options to exit the Kami Partnership.

Total equity increased by $98.9 million since the beginning of the financial year as the dividend payment on the Company's ordinary shares was more than offset by the net income generated during the twelve-month period and the proceeds from the exercise of warrants held by La Caisse.

**Liquidity**

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

As at March 31, 2026, the Company held $296.8 million in cash and had $515.6 million in undrawn loans under the revolving facility for total available liquidity of $812.4 million[1]. Subsequent to year-end, the Company completed the refinancing of its revolving credit facility to extend the maturity from November 2027 to April 2030.

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

- Sustaining and other capital expenditures;
- Growth projects expenditures, including remaining DRPF project expenditures;
- Semi-annual dividend payments to shareholders, if declared;
- Capital repayments related to lease liabilities and long-term debt; and
- Payment of mining and income taxes.

On April 10, 2026, the Company completed the acquisition of 92.48% of the issued and outstanding shares of Rana Gruber, pursuant to its previously announced recommended voluntary cash tender offer. The Company subsequently completed the compulsory acquisition of the remaining shares and became the owner of 100% of Rana Gruber on April 17, 2026. The Acquisition was completed at a total purchase price of approximately US$300 million, plus related fees and expenses, which was funded through a combination of a new secured 4-year term loan of US$150 million, the net proceeds of an equity private placement of US$100 million from La Caisse, and approximately US$50 million in cash from the Company's financial liquidities.

Future cash calls by the Kami Partnership are not expected to affect the Company's liquidity in the short term. It is expected that the proceeds of the initial cash contributions to the Kami Partnership by the Partners will be used to cover the Company's pro-rata share of the costs, thus reducing the amount of the contribution note receivable from the Kami Partnership issued in connection with the Kami assets transfer from the Company to the Kami Partnership.

## 12. Financial Instruments

The nature and extent of risks arising from the Company's financial instruments are summarized in note 26 to the Financial Statements.

[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.



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## 13. Contingencies

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

In relation to the Kami Project, the Second Closing of the Kami Transaction remains subject to: i) the completion of a DFS, expected to be completed in the second half of the 2026 calendar year, and ii) Champion and the Partners proceeding with positive IID elections to pursue work towards an FID, as well as other customary closing conditions. Until an FID is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests. Details on contingencies related to the Kami Project and other contingencies are disclosed in notes 28 and 30 to the Financial Statements.

## 14. Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

**Contractual Obligations and Commitments**

The following table details the contractual maturities of the Company's liabilities segmented by period, including estimated future interest payments and future minimum payments of the commitments, as at March 31, 2026:

| (in thousands of dollars) | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability) | **236,342** | **—** | **—** | **236,342** |
| Long-term debt | **112,495** | **430,367** | **839,128** | **1,381,990** |
| Lease liabilities | **23,970** | **60,054** | **69,753** | **153,777** |
| Commitments as per note 30 to the Financial Statements | **109,802** | **68,374** | **177,805** | **355,981** |
| | **482,609** | **558,795** | **1,086,686** | **2,128,090** |

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

Contingent upon the Kami Project advancing to commercial production, Champion will be subject to a fixed production payment on future tonnes sold. The Company is also subject to limited production payments on its Consolidated Fire Lake North, Lac Lamêlée, Moiré Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

**Other Off-Balance Sheet Arrangements**

As at March 31, 2026, the undrawn portion of the revolving facility is subject to standby commitment fees.

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## 15. Material Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

***Production start date***

The Company assessed the stage of its mining asset construction project to determine when it has reached the commercial production phase. Commercial production is achieved when the project is substantially completed and ready for its intended use. The Company considers various relevant criteria to assess when the commercial production phase is considered to have commenced including, but not limited to:

- Level of capital expenditure incurred compared to original budget;
- Majority of the assets making up the mining project are substantially complete and ready for use;
- Completion of a reasonable period of testing of the mine plant and equipment; and
- Ability to produce iron ore concentrate in saleable form (within specifications) and to sustain ongoing production of iron ore concentrate.

When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either included as forming part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements or reserve development. It is also at this point that depreciation commences.

***Mineral resources and ore reserves***

Mineral resource and ore reserve estimates (referred to as mineral resource and mineral reserve under the National Instrument 43-101) are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its mineral resources and ore reserves based on information compiled by qualified persons relating to geological and technical data, on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Recovery of ore reserves is based on factors such as estimated future prices, expected future production and production costs and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. Such an analysis requires complex geological judgments and estimates. Estimates of mineral resources and ore reserves have an impact on the following items:

- Capitalized stripping costs recognized as inventory or charged as cost of sales in profit or loss as it may change due to changes in stripping ratios;
- Depreciation charge as changes in estimates of mineral resources and ore reserves may affect the useful life or units-of-production method of calculation for depreciation;
- Rehabilitation obligation as changes in estimates may affect the expected date to settle the obligation; and
- Carrying value of non-financial assets as changes in estimates may affect estimated future cash flows and therefore impact impairment analysis.

The Company expects that, over time, its mineral resource and ore reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels, and may be affected by changes in iron ore prices.

***Definition of separate open pits***

Where a mine operates several open pits that are regarded as separate operations for the purpose of mine planning, initial stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping of the second and subsequent pits is considered to be production phase stripping. The judgment as to whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances.

The following factors would point towards the initial stripping costs for the individual pits being accounted for separately:

- If the second and subsequent pits are mined consecutively following that of the first pit, rather than concurrently;
- If separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset;
- If the pits are operated as separate units in terms of mine planning and the sequencing of overburden removal and ore mining, rather than as an integrated unit; and
- If the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.



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## 15. Material Judgments, Estimates and Assumptions (continued)

***Definition of separate open pits*** (continued)

If the designs of the second and subsequent pits are significantly influenced by opportunities to optimize output from several pits, including the co-treatment or blending of the output from the pits, then this would point to treatment as an integrated operation for the purposes of accounting for initial stripping costs. The relative importance of each of the above factors is considered in each case. The Company operates three open pits at the Bloom Lake Mine. Starting on April 1, 2025, the Company assessed that the three open pits were integrated and as such, the Company uses one stripping ratio (March 31, 2025: two stripping ratios).

***Depreciation of non-current assets***

Property, plant and equipment are depreciated over their useful life, or over the remaining life of the mine if that is shorter and there is no reasonable alternative use for the asset by the Company. The useful lives of the major assets of a cash-generating unit ("CGU") are often dependent on the life of the mine to which they relate. Where this is the case, the lives of mining properties, plant, concentrators and other long-lived processing equipment are generally limited to the expected life of mine, which is estimated on the basis of the mining plan. Where the major assets of a CGU are not dependent on the life of mine, management applies judgment in estimating the remaining service potential of long-lived assets.

***Recovery of exploration and evaluation assets***

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the period for which the Company has the right to explore in a specific area, actual and planned expenditures, and results of exploration. Management judgment is also applied in determining whether an economically viable operation can be established or whether activities have not reached a stage that permits a reasonable assessment of the existence of ore reserves, significant negative industry or economic trends, CGUs, the lowest levels of exploration and evaluation assets grouping, for which there are separately identifiable cash flows, generally on the basis of areas of geological interest.

***Joint arrangement***

Judgment is required to determine when the Company has joint control, which requires an assessment of the key strategic activities of the arrangement to determine which activities most significantly affect the returns of the arrangement over its life. When unanimous consent is required over the decisions about the key strategic activities, the parties whose consent is required have joint control over the arrangement. The judgments around which activities are considered to be strategic are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, the Company has determined that the key strategic activities for the Kami Partnership relate to the managing of the asset while it is being designed, developed and constructed, during its operating life and during the closure period. Those activities include the determination of the life of mine plan, entering into decisive long-term operating contracts for rail and port services, approval of budgets for significant operating costs and capital expenditures, obtaining funding, management of financial assets, and appointment, remuneration and termination of key management personnel. The control and key strategic activities of the arrangement are reassessed whenever there is a change in circumstances or contractual terms.

Judgment is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. In making this determination, the structure and the legal form of the arrangement, the contractual terms and other facts and circumstances are analyzed. This assessment requires judgment and has led the Company to conclude that the Kami Partnership is a joint venture for the purposes of the consolidated financial statements, as the Company only has rights to the net assets of the arrangement proportionate to its ownership interest.

***Lease liabilities and right-of-use assets***

The Company makes judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include determining contracts in scope of IFRS 16, determining the contract term, determining the interest rate used for discounting future cash flows, assessing purchase option and separating components of a contract. The lease term determined by the Company generally comprises a non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The same term is applied as the useful life of right-of-use assets. Lease payments include the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The separation of components of a contract requires estimates and judgments for allocating the consideration in the contract to each lease component and non-lease component.

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## 15. Material Judgments, Estimates and Assumptions (continued)

***Provisions***

The provisions are based on the best estimate of the amount that the Company would rationally pay to settle the present obligation at the end of the reporting period or to transfer it to a third party. Assumptions based on the current economic environment have been made, which management believes to be a reasonable basis upon which to estimate the future liability. These estimates are reviewed at each reporting period to take into account any material changes to the assumptions, including regulatory changes and cost increases associated with site areas used for tailings and waste for the rehabilitation obligation, and revisions to future expenditures following the completion of projects, changes in projects concepts and additional data from field studies for the compensation plans' obligation.

Actual costs will ultimately depend upon future market prices for the necessary works required that will reflect market conditions at the time. Furthermore, the timing of rehabilitation is likely to depend on when Bloom Lake ceases to produce at economically viable rates. This, in turn, will depend upon future iron ore prices, which are inherently uncertain.

***Revenue recognition***

At each reporting period, the Company re-estimates sales subject to provisional pricing with reference to forward price indices. The forward price depends on the final quotation period as per sale contracts, which usually depends on the date when the vessel arrives at its final destination. The arrival date is initially estimated at the sale date and then re-evaluated before each reporting date. Price changes for shipments awaiting final pricing at year-end could have a material effect on future revenues.

## 16. New Accounting Standards or Amendments Issued and Adopted by the Company

The Company adopted the following new accounting standard for the first time for the financial year beginning April 1, 2025. No amendments to existing standards have been adopted by the Company on April 1, 2025.

***AASB S2 (IFRS S2), Climate-related Disclosures ("IFRS S2")***

A set of climate-related financial disclosures, including climate-related physical risks, transition risks and opportunities, required under AASB S2, is covered in the section 07 — Sustainability Report of this Annual Report.

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

The following amendments to existing standards and the new standard have been issued and are applicable to the Company for its annual period beginning on April 1, 2026, and thereafter, with an earlier application permitted:

***Amendments to AASB 9 (IFRS 9), Financial Instruments ("IFRS 9") and AASB 7 (IFRS 7), Financial Instruments: Disclosures ("IFRS 7")***

The amendments clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with Environmental, Social and Governance (ESG) linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

***AASB 18 (IFRS 18), Presentation and Disclosure in Financial Statements ("IFRS 18")***

IFRS 18 replaces IAS 1 - Presentation of Financial Statements and requires: i) income and expenses in the income statement to be classified into three new defined categories "Operating", "Investing" and "Financing" and two new subtotals "Operating profit or loss" and "Profit or loss before financing and income tax"; ii) disclosures about management-defined performance measures, which are non-IFRS measures related to the income statement, used in public communications to communicate management's view of the entity's financial performance; and iii) an appropriate level of aggregation and disaggregation based on similar characteristics and specific disclosure requirements for entities that present operating expenses by function in the income statement.

The Company is currently evaluating the impact of adopting the amendments and the new standard on the Company's consolidated financial statements.

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## 18. Related Parties

Related party transactions consist of transactions with key management personnel and joint ventures.

**Key management personnel**

The Company considers members of the Board and some of its senior officers to be key management personnel. Transactions with key management personnel are disclosed in note 29 to the Financial Statements.

**Joint venture**

As outlined in section 5 — Kami Joint Arrangement of this Directors' Report, the Company holds a 51% interest in the Kami Partnership, formed for the joint ownership and potential development of the Kami Project.

Transactions and balances with the joint venture, accounted for using the equity method, are summarized below:

| (in thousands of dollars) | On September 29, 2025 |
|---|---|
| **Contributed net assets** | |
| Current assets | **313** |
| Non-current assets (i) | **78,868** |
| Current liabilities | **(3,175)** |
| Non-current liabilities | **(28)** |
| | **75,978** |
| Cash received (Feasibility Study repayment) | **(15,630)** |
| Investment received | **60,348** |

(i) Non-current assets include $78.7 million of exploration and evaluation assets contributed to the Kami Partnership.

During the year ended March 31, 2026, Champion invoiced management fees and other services to the Kami Partnership totalling $4.2 million, and recognized interest income of $651 on restricted cash held within the joint venture for the Company's benefit.

| (in thousands of dollars) | As at March 31, 2026 |
|---|---|
| Investment in a joint venture | **73,124** |
| Joint venture's contribution note | **55,446** |
| Other receivables (from a joint venture) | **1,047** |

The joint venture does not have any future minimum payments of commitments as at March 31, 2026.

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## 19. Summary of Quarterly Results

The following information is derived from and should be read in conjunction with the Financial Statements, the unaudited condensed interim consolidated financial statements for the previous quarters, and the audited annual consolidated financial statements for the financial year ended March 31, 2025.

| | Q4 2026 | Q3 2026 | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 |
|---|---|---|---|---|---|---|---|---|
| **Financial Data** (in millions of dollars, except per share data) | | | | | | | | |
| Revenues | 414.5 | 472.3 | 492.9 | 390.0 | 425.3 | 363.2 | 351.0 | 467.1 |
| Operating income | 57.3 | 111.0 | 132.7 | 10.6 | 84.6 | 50.8 | 39.6 | 145.5 |
| Net income | 23.2 | 65.0 | 56.8 | 23.8 | 39.1 | 1.7 | 19.8 | 81.4 |
| Adjusted net income[1] | 23.2 | 65.0 | 56.8 | 23.8 | 39.1 | 1.7 | 19.8 | 81.4 |
| EBITDA[1] | 114.3 | 152.4 | 174.8 | 57.8 | 127.4 | 88.2 | 74.5 | 181.2 |
| Basic EPS | 0.04 | 0.12 | 0.11 | 0.05 | 0.08 | 0.00 | 0.04 | 0.16 |
| Adjusted EPS[1] | 0.04 | 0.12 | 0.11 | 0.05 | 0.08 | 0.00 | 0.04 | 0.16 |
| Diluted EPS | 0.04 | 0.12 | 0.11 | 0.05 | 0.07 | 0.00 | 0.04 | 0.15 |
| Net cash flows from (used in) operating activities | 152.1 | 81.7 | 121.0 | 81.1 | 144.4 | (6.4) | 134.7 | 31.4 |
| **Operating Data** | | | | | | | | |
| Waste mined and hauled (thousands of wmt) | 10,980 | 12,089 | 12,888 | 10,964 | 10,886 | 9,694 | 9,324 | 6,734 |
| Ore mined and hauled (thousands of wmt) | 9,915 | 10,550 | 10,016 | 10,071 | 9,470 | 10,348 | 9,287 | 10,779 |
| Stripping ratio | 1.11 | 1.15 | 1.29 | 1.09 | 1.15 | 0.94 | 1.00 | 0.62 |
| Ore milled (thousands of wmt) | 9,744 | 10,443 | 9,968 | 10,501 | 9,160 | 10,305 | 9,125 | 11,084 |
| Head grade Fe (%) | 28.8 | 29.1 | 29.6 | 28.2 | 29.2 | 29.3 | 29.1 | 29.1 |
| Fe recovery (%) | 80.6 | 79.7 | 79.6 | 78.2 | 78.3 | 79.1 | 78.7 | 79.3 |
| Product Fe (%) | 66.2 | 66.5 | 66.5 | 66.3 | 66.5 | 66.3 | 66.3 | 66.3 |
| Iron ore concentrate produced (thousands of wmt) | 3,435 | 3,661 | 3,552 | 3,521 | 3,167 | 3,621 | 3,170 | 3,877 |
| Iron ore concentrate sold (thousands of dmt) | 3,455 | 3,895 | 3,851 | 3,832 | 3,495 | 3,287 | 3,266 | 3,443 |
| **Statistics** (in dollars per dmt sold) | | | | | | | | |
| Gross average realized selling price[1] | 165.1 | 162.9 | 157.5 | 146.0 | 160.4 | 158.8 | 161.8 | 171.6 |
| Net average realized selling price[1] | 120.0 | 121.3 | 128.0 | 101.8 | 121.7 | 110.5 | 107.5 | 135.7 |
| C1 cash cost[1] | 82.7 | 73.9 | 76.2 | 81.9 | 80.0 | 78.7 | 77.5 | 76.9 |
| AISC[1] | 96.9 | 89.7 | 96.9 | 96.2 | 93.1 | 93.9 | 101.4 | 91.6 |
| Cash operating margin[1] | 23.1 | 31.6 | 31.1 | 5.6 | 28.6 | 16.6 | 6.1 | 44.1 |
| **Statistics** (in U.S. dollars per dmt sold)[2] | | | | | | | | |
| Gross average realized selling price[1] | 120.5 | 116.8 | 114.2 | 105.5 | 111.8 | 113.4 | 118.9 | 125.3 |
| Net average realized selling price[1] | 87.5 | 86.9 | 92.9 | 73.4 | 84.9 | 78.8 | 79.0 | 99.2 |
| C1 cash cost[1] | 60.3 | 53.0 | 55.3 | 59.2 | 55.7 | 56.3 | 56.8 | 56.2 |
| AISC[1] | 70.6 | 64.3 | 70.4 | 69.5 | 64.9 | 67.2 | 74.3 | 66.9 |
| Cash operating margin[1] | 16.9 | 22.6 | 22.5 | 3.9 | 20.0 | 11.6 | 4.7 | 32.3 |

[1] This is a non-IFRS financial measure, ratio or other financial measure. This 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 20 — Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection included in section 6 — Key Drivers of this Directors' Report.



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## 20. Non-IFRS and Other Financial Measures

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

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

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

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## 20. Non-IFRS and Other Financial Measures (continued)

**EBITDA and EBITDA Margin**

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

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

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

| | | | | **Three Months Ended** | **Year Ended** |
|---|---|---|---|---|---|
| | June 30, | September 30, | December 31, | **March 31,** | **March 31,** |
| (in thousands of dollars) | 2025 | 2025 | 2025 | **2026** | **2026** |
| Income before income and mining taxes | 24,213 | 104,072 | 105,456 | **51,078** | **284,819** |
| Net finance costs (income) | (13,256) | 25,643 | 2,101 | **19,733** | **34,221** |
| Depreciation | 46,796 | 45,108 | 44,851 | **43,529** | **180,284** |
| **EBITDA** | 57,753 | 174,823 | 152,408 | **114,340** | **499,324** |
| Revenues | 390,027 | 492,890 | 472,309 | **414,505** | **1,769,731** |
| **EBITDA margin** | 15% | 35% | 32% | **28%** | **28%** |

| | | | | Three Months Ended | Year Ended |
|---|---|---|---|---|---|
| | June 30, | September 30, | December 31, | March 31, | March 31, |
| (in thousands of dollars) | 2024 | 2024 | 2024 | 2025 | 2025 |
| Income before income and mining taxes | 137,377 | 31,777 | 21,347 | 74,646 | 265,147 |
| Net finance costs | 8,259 | 7,486 | 30,508 | 11,286 | 57,539 |
| Depreciation | 35,524 | 35,273 | 36,361 | 41,446 | 148,604 |
| **EBITDA** | 181,160 | 74,536 | 88,216 | 127,378 | 471,290 |
| Revenues | 467,084 | 350,980 | 363,170 | 425,345 | 1,606,579 |
| **EBITDA margin** | 39% | 21% | 24% | 30% | 29% |

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## 20. Non-IFRS and Other Financial Measures (continued)

**Adjusted Net Income and Adjusted EPS**

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

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

| | | | | **Three Months Ended** | **Year Ended** |
|---|---|---|---|---|---|
| | June 30, | September 30, | December 31, | **March 31,** | **March 31,** |
| | 2025 | 2025 | 2025 | **2026** | **2026** |
| (in thousands of dollars, except shares and per share data) | | | | | |
| **Net income** | 23,784 | 56,794 | 64,972 | **23,186** | **168,736** |
| **Adjusted net income** | 23,784 | 56,794 | 64,972 | **23,186** | **168,736** |
| (in thousands) | | | | | |
| Weighted average number of ordinary shares outstanding — Basic | 522,702 | 533,251 | 533,251 | **533,251** | **530,621** |
| **Adjusted EPS** (in dollars) | 0.05 | 0.11 | 0.12 | **0.04** | **0.32** |

| | | | | Three Months Ended | Year Ended |
|---|---|---|---|---|---|
| | June 30, | September 30, | December 31, | March 31, | March 31, |
| | 2024 | 2024 | 2024 | 2025 | 2025 |
| (in thousands of dollars, except shares and per share data) | | | | | |
| **Net income** | 81,357 | 19,807 | 1,741 | 39,140 | 142,045 |
| **Adjusted net income** | 81,357 | 19,807 | 1,741 | 39,140 | 142,045 |
| (in thousands) | | | | | |
| Weighted average number of ordinary shares outstanding — Basic | 518,080 | 518,111 | 518,251 | 518,251 | 518,173 |
| **Adjusted EPS** (in dollars) | 0.16 | 0.04 | 0.00 | 0.08 | 0.27 |

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## 20. Non-IFRS and Other Financial Measures (continued)

**Available Liquidity**

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

| (in thousands of dollars) | **As at March 31, 2026** | As at December 31, 2025 |
|---|---|---|
| Cash | **296,788** | 245,092 |
| Undrawn amounts under credit facilities | **515,600** | 506,340 |
| **Available liquidity** | **812,388** | 751,432 |

**C1 Cash Cost per dmt sold**

C1 cash cost per dmt is a common financial performance measure in the iron ore mining industry. Champion reports its C1 cash cost on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flows from its mining operations.

This measure also enables investors to better understand the performance of the Company's iron ore operations in comparison with other iron ore producers who present results on a similar basis. Management uses this metric as an important tool to monitor operating cost performance. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. The cost of sales includes production costs such as mining, processing and mine site-related general and administrative expenses, as well as rail and port operating costs. Depreciation expense is not a component of C1 cash cost.

| | | | | **Three Months Ended March 31, 2026** | **Year Ended March 31, 2026** |
|---|---|---|---|---|---|
| | June 30, 2025 | September 30, 2025 | December 31, 2025 | | |
| Iron ore concentrate sold (dmt) | 3,831,800 | 3,850,900 | 3,895,300 | **3,455,400** | **15,033,400** |
| (in thousands of dollars, except per dmt data) | | | | | |
| Cost of sales | 313,928 | 293,398 | 287,712 | **285,785** | **1,180,823** |
| **C1 cash cost (per dmt sold)** | 81.9 | 76.2 | 73.9 | **82.7** | **78.5** |

| | | | | Three Months Ended March 31, 2025 | Year Ended March 31, 2025 |
|---|---|---|---|---|---|
| | June 30, 2024 | September 30, 2024 | December 31, 2024 | | |
| Iron ore concentrate sold (dmt) | 3,442,800 | 3,265,700 | 3,287,400 | 3,495,300 | 13,491,200 |
| (in thousands of dollars, except per dmt data) | | | | | |
| Cost of sales | 264,911 | 252,960 | 258,728 | 279,644 | 1,056,243 |
| **C1 cash cost (per dmt sold)** | 76.9 | 77.5 | 78.7 | 80.0 | 78.3 |

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## 20. Non-IFRS and Other Financial Measures (continued)

**All-in Sustaining Cost per dmt sold**

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

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

| | June 30, 2025 | September 30, 2025 | December 31, 2025 | **Three Months Ended March 31, 2026** | **Year Ended March 31, 2026** |
|---|---|---|---|---|---|
| Iron ore concentrate sold (dmt) | 3,831,800 | 3,850,900 | 3,895,300 | **3,455,400** | **15,033,400** |
| (in thousands of dollars, except per dmt data) | | | | | |
| Cost of sales | 313,928 | 293,398 | 287,712 | **285,785** | **1,180,823** |
| Sustaining capital expenditures[1] | 42,241 | 69,910 | 46,956 | **31,162** | **190,269** |
| General and administrative expenses | 12,581 | 9,894 | 14,744 | **17,836** | **55,055** |
| | 368,750 | 373,202 | 349,412 | **334,783** | **1,426,147** |
| **AISC (per dmt sold)** | 96.2 | 96.9 | 89.7 | **96.9** | **94.9** |

| | June 30, 2024 | September 30, 2024 | December 31, 2024 | Three Months Ended March 31, 2025 | Year Ended March 31, 2025 |
|---|---|---|---|---|---|
| Iron ore concentrate sold (dmt) | 3,442,800 | 3,265,700 | 3,287,400 | 3,495,300 | 13,491,200 |
| (in thousands of dollars, except per dmt data) | | | | | |
| Cost of sales | 264,911 | 252,960 | 258,728 | 279,644 | 1,056,243 |
| Sustaining capital expenditures[1] | 38,008 | 65,919 | 38,193 | 33,230 | 175,350 |
| General and administrative expenses | 12,350 | 12,114 | 11,813 | 12,457 | 48,734 |
| | 315,269 | 330,993 | 308,734 | 325,331 | 1,280,327 |
| **AISC (per dmt sold)** | 91.6 | 101.4 | 93.9 | 93.1 | 94.9 |

[1] Purchase of property, plant and equipment as per the consolidated statements of cash flows are classified into sustaining capital expenditures, DRPF project and other capital development expenditures at Bloom Lake. Sustaining capital expenditures are defined as capital expenditures to sustain or maintain the existing assets to achieve operations as per the mine plan, from which future economic benefits will be derived. Refer to section 10 — Cash Flows of this Directors' Report.

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## 20. Non-IFRS and Other Financial Measures (continued)

**Cash Operating Margin per dmt sold and Cash Profit Margin**

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

| | June 30, 2025 | September 30, 2025 | December 31, 2025 | **Three Months Ended March 31, 2026** | **Year Ended March 31, 2026** |
|---|---|---|---|---|---|
| Iron ore concentrate sold (dmt) | 3,831,800 | 3,850,900 | 3,895,300 | **3,455,400** | **15,033,400** |
| (in thousands of dollars, except per dmt data) | | | | | |
| Revenues | 390,027 | 492,890 | 472,309 | **414,505** | **1,769,731** |
| Net average realized selling price (per dmt sold) | 101.8 | 128.0 | 121.3 | **120.0** | **117.7** |
| AISC (per dmt sold) | 96.2 | 96.9 | 89.7 | **96.9** | **94.9** |
| **Cash operating margin (per dmt sold)** | 5.6 | 31.1 | 31.6 | **23.1** | **22.8** |
| **Cash profit margin** | 6% | 24% | 26% | **19%** | **19%** |

| | June 30, 2024 | September 30, 2024 | December 31, 2024 | Three Months Ended March 31, 2025 | Year Ended March 31, 2025 |
|---|---|---|---|---|---|
| Iron ore concentrate sold (dmt) | 3,442,800 | 3,265,700 | 3,287,400 | 3,495,300 | 13,491,200 |
| (in thousands of dollars, except per dmt data) | | | | | |
| Revenues | 467,084 | 350,980 | 363,170 | 425,345 | 1,606,579 |
| Net average realized selling price (per dmt sold) | 135.7 | 107.5 | 110.5 | 121.7 | 119.1 |
| AISC (per dmt sold) | 91.6 | 101.4 | 93.9 | 93.1 | 94.9 |
| **Cash operating margin (per dmt sold)** | 44.1 | 6.1 | 16.6 | 28.6 | 24.2 |
| **Cash profit margin** | 32% | 6% | 15% | 24% | 20% |

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## 20. Non-IFRS and Other Financial Measures (continued)

**Gross Average Realized Selling Price per dmt sold**

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

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

| | June 30, 2025 | September 30, 2025 | December 31, 2025 | **Three Months Ended March 31, 2026** | **Year Ended March 31, 2026** |
|---|---|---|---|---|---|
| Iron ore concentrate sold (dmt) | 3,831,800 | 3,850,900 | 3,895,300 | **3,455,400** | **15,033,400** |
| (in thousands of dollars, except per dmt data) | | | | | |
| Revenues | 390,027 | 492,890 | 472,309 | **414,505** | **1,769,731** |
| Provisional pricing adjustments | 26,552 | (40,935) | (4,373) | **299** | **(18,457)** |
| Freight and other costs | 142,687 | 154,436 | 166,539 | **155,844** | **619,506** |
| Gross revenues | 559,266 | 606,391 | 634,475 | **570,648** | **2,370,780** |
| **Gross average realized selling price (per dmt sold)** | 146.0 | 157.5 | 162.9 | **165.1** | **157.7** |

| | June 30, 2024 | September 30, 2024 | December 31, 2024 | Three Months Ended March 31, 2025 | Year Ended March 31, 2025 |
|---|---|---|---|---|---|
| Iron ore concentrate sold (dmt) | 3,442,800 | 3,265,700 | 3,287,400 | 3,495,300 | 13,491,200 |
| (in thousands of dollars, except per dmt data) | | | | | |
| Revenues | 467,084 | 350,980 | 363,170 | 425,345 | 1,606,579 |
| Provisional pricing adjustments | (27,947) | 22,947 | 17,407 | (5,389) | 7,018 |
| Freight and other costs | 151,547 | 154,425 | 141,568 | 140,627 | 588,167 |
| Gross revenues | 590,684 | 528,352 | 522,145 | 560,583 | 2,201,764 |
| **Gross average realized selling price (per dmt sold)** | 171.6 | 161.8 | 158.8 | 160.4 | 163.2 |

## 21. Share Capital Information

The Company's share capital consists of ordinary shares without par value. As of May 27, 2026, there were 560,046,922 ordinary shares issued and outstanding, including the shares issued subsequent to the year ended March 31, 2026, related to the Rana Gruber Acquisition, and 7,415,251 restricted share units, deferred share units and performance share units issued under the Company's Omnibus Incentive Plan.

## 22. Nature of Securities

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

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## 23. Additional Information

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

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# II. REMUNERATION REPORT

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Unless otherwise noted, the following information is for the Company's last completed financial year which ended March 31, 2026, and since the Company had one or more subsidiaries during that year, it is disclosed on a consolidated basis. The information in this Remuneration Report has been audited pursuant to section 308 (3C) of the Corporations Act 2001 (Cth) ("Corporations Act") of Australia. All monetary amounts are disclosed in Canadian dollars unless expressly stated otherwise.

Certain figures included in this Remuneration Report have been rounded for ease of presentation. Percentages and other figures included in this Remuneration Report have not in all cases been calculated on the basis of such rounded figures but on the basis of such figures prior to rounding. For this reason, percentages and other figures in this Remuneration Report may not add up precisely due to rounding.

## Key Management Personnel and Named Executive Officers

In compliance with section 300A of the Corporations Act and National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102"), this Remuneration Report covers Key Management Personnel ("KMP") including Named Executive Officers ("NEO") for the purpose of NI 51-102, who were actively employed by the Company as at the end of the financial year (March 31, 2026), as well as any individuals who would have been a NEO but for the fact that such individual was neither an executive officer of the Company, including its subsidiaries, nor acting in a similar capacity, at the end of the financial year.

KMP is defined as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of Champion". NEOs of the Company means each of the following individuals:

a. the Chief Executive Officer ("CEO") of the Company or each individual who acted in a similar capacity for any part of the most recently completed financial year;
b. the Chief Financial Officer ("CFO") of the Company or each individual who acted in a similar capacity for any part of the most recently completed financial year;
c. each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with applicable law at the end of that financial year; and
d. each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

## Key Management Personnel and Named Executive Officers (continued)

The following persons were the KMPs, and NEOs of the Company during the financial year ended March 31, 2026.

| Name | Position | Appointment Date |
|---|---|---|
| David Cataford (NEO and KMP) | CEO and Director | April 1, 2019 |
| Alexandre Belleau (NEO and KMP)[1] | Chief Operating Officer ("COO") | July 22, 2020 |
| Steve Boucratie (NEO and KMP)[2] | Senior Vice-President, General Counsel and Corporate Secretary | September 9, 2021 |
| Michael Marcotte (NEO and KMP)[3] | Senior Vice-President, Corporate Development and Capital Markets | September 9, 2021 |
| Donald Tremblay (NEO and KMP)[4] | Former CFO | September 12, 2022 |
| Michael O'Keeffe (KMP)[5] | Executive Chairman | April 1, 2019 |
| Gary Lawler (KMP)[6] | Non-Executive Director and Lead Director | April 9, 2014 |
| Michelle Cormier (KMP)[7] | Non-Executive Director | April 11, 2016 |
| Jyothish George (KMP) | Non-Executive Director | October 16, 2017 |
| Louise Grondin (KMP) | Non-Executive Director | August 27, 2020 |
| Jessica McDonald (KMP) | Non-Executive Director | August 30, 2023 |
| Ronnie Beevor (KMP) | Non-Executive Director | March 3, 2024 |

Notes:

(1) Mr. Belleau was promoted to COO of the Company on July 22, 2020. Prior to that, he had been General Manager of Projects and Innovation of the Company since 2017.

(2) Mr. Boucratie was promoted to Senior Vice-President, General Counsel and Corporate Secretary on September 9, 2021. Prior to that, he had been Vice-President, General Counsel and Corporate Secretary of the Company and a NEO since 2019.

(3) Mr. Marcotte was promoted to Senior Vice-President, Corporate Development and Capital Markets of the Company on September 9, 2021. Prior to that, he had been Vice-President, Investor Relations of the Company since 2018.

(4) Mr. Tremblay's employment with the Company ended on October 20, 2025. Since then, the Company has been actively engaged in a search for his successor. In the interim period, certain of the Company's executives, including certain of the NEOs listed herein, have had direct oversight of the CFO responsibilities.

(5) Mr. O'Keeffe was appointed Executive Chairman on August 13, 2013, and CEO on October 3, 2014. Mr. O'Keeffe stepped down as CEO on April 1, 2019, and continues in his role as Executive Chairman.

(6) Mr. Lawler was appointed Lead Director on August 30, 2023.

(7) Ms. Cormier was appointed to the board of directors of the Company (the "Board") in 2016 as a nominee of WC Strategic Opportunity, L.P. ("Wynnchurch") pursuant to certain board nomination rights granted by the Company in favour of Wynnchurch in connection with a private placement of ordinary shares of the Company (the "Shares") completed on April 11, 2016. Following the disposition of Shares by Wynnchurch that was publicly announced by Wynnchurch on August 2, 2021, Wynnchurch is no longer entitled to nominate a candidate for election or appointment to the Board such that Ms. Cormier is no longer considered to be a director nominee of Wynnchurch.

When used in this Remuneration Report, the terms "executives" and "management" are used to refer to the Company's NEOs and the members of the Company's senior executive team from time to time, all of whom are employees of a Canadian subsidiary of the Company. For purposes of this Remuneration Report, references to "Champion" or the "Company" include, as the context requires, the Canadian subsidiary of the Company who employs the NEOs.

## A. Role of Remuneration, People and Governance Committee

The Remuneration, People and Governance Committee advises the Board on matters relating to corporate governance, remuneration, people and diversity, and Board nomination and performance. Among other responsibilities, the Remuneration, People and Governance Committee assists the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and policies including incentive policies for directors and executives. The committee is notably responsible for setting policies for executives' remuneration and reviewing the salary levels of executives, and making recommendations to the Board on any proposed increases in compensation. As at March 31, 2026, the Remuneration, People and Governance Committee was comprised of Gary Lawler (Chair), Michelle Cormier, Louise Grondin and Ronnie Beevor, each of whom is an independent director and has direct knowledge and experience that is relevant to their responsibilities in executive compensation and governance as set out below. The Remuneration, People and Governance Committee has access to independent experts to provide advice in the conduct of its duties.

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## A. Role of Remuneration, People and Governance Committee (continued)

The current Committee members are:

Gary Lawler (Chair) — Mr. Lawler practiced corporate law for 45 years and, during that time was a partner at several leading Australian law firms. Mr. Lawler has also served as a director and contributed to compensation and governance matters for numerous listed companies over the years.

Michelle Cormier — Ms. Cormier is a CPA with over 30 years of experience in senior-level executive positions in management, including financial management, corporate finance, turnaround and strategic advisory situations and human resources. Ms. Cormier has a strong capital markets background in the United States and Canada, as well as significant experience in corporate governance, having served on several boards of directors in publicly listed and privately held companies as well as government-owned institutions and not-for-profit organizations.

Louise Grondin — Ms. Grondin is working as an independent consultant after retiring as the head of the Human Resources function at Agnico Eagle, in January 2021, where she oversaw the management of a number of human resource processes including remuneration, career development and training, succession planning and recruitment. Over her almost twenty years with Agnico Eagle, she held various leadership positions as Senior Vice-President, People and Culture, Senior Vice-President Environment, Sustainable Development and People, Regional Director Environment and Environmental Superintendent. She also sits on the Board of the Canadian Mining Hall of Fame and Wesdome Gold Mines Ltd.

Ronnie Beevor — Mr. Beevor brings over 40 years of experience in investment banking and the global mining sector, including board and Chair roles across numerous listed companies. His background includes corporate governance, remuneration oversight, and strategic transactions across a range of jurisdictions. He has played a key role in guiding companies through growth, acquisitions, and successful exits, drawing on deep expertise in both operational and board-level leadership.

The Remuneration, People and Governance Committee makes recommendations to the Board on the executive remuneration framework and the remuneration level of executives including all awards under the Long-Term Incentive Plan ("LTIP"), and the Short-Term Incentive Program ("STIP") and remuneration levels for directors. The aim is to ensure that remuneration policies align with the long-term objectives of the Company, are fair and competitive within the market in which Champion operates, and are reflective of generally accepted market practices of Champion's peers and the jurisdiction in which Champion employs its people.

## B. Remuneration Philosophy & Approach

The objective of Champion's executive remuneration program and strategy is to attract, retain and motivate talented executives and provide incentives for executives to create sustainable Shareholder value over the long-term, by driving a performance culture that is closely aligned to the achievement of the Company's strategy and business objectives. To achieve this objective, executive remuneration is designed and based on the following principles:

- **To align with Champion's business** — this principle focuses on the need for executive remuneration to reflect the Company's strategic goals and performance as an iron ore exploration, development and, particularly, a production company, in the context of an industry that continues to undergo a structural shift in its production methods with an increased focus on reducing GHG emissions as well as to reflect the structural complexity of Champion's business, namely with respect to managing global customer relationships, negotiating direct sales, and developing niche iron ore markets amid diverse regional demands and fluctuating market conditions. Accordingly, executive performance targets are directly aligned with activities that create sustainable long-term Shareholder value. The aim of this principle is to motivate the executives of the Company to develop and operate iron ore assets efficiently and effectively to generate free cash flows from the capital deployed, with an ultimate goal of maximizing Shareholder returns, while adopting and implementing sustainability practices and de-carbonization initiatives for the benefit of the communities in which the Company operates, its workforce and its various stakeholders.

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## B. Remuneration Philosophy & Approach (continued)

- **Pay competitively** — the pay received by each executive reflects each executive's performance, expertise, responsibilities and length of service to the Company. The Company aims to set overall target remuneration to ensure it remains competitive within the market in which Champion operates and which is reflective of generally accepted market practices of the Company's peers and the jurisdiction in which Champion employs its people. Although the Company is an Australian incorporated entity under the Corporations Act, Champion's business operations are primarily undertaken in Canada exclusively through its Canadian subsidiaries, with minimal footprint in Australia. Until this year up to the closing of the acquisition of Rana Gruber ASA ("Rana Gruber"), almost all of the Company's workforce was located in the Province of Québec, Canada. Following closing of the acquisition of Rana Gruber in April 2026, the Company now also has some employees located in Norway, although its executive team remains employed by the Canadian subsidiaries and located in the Province of Québec, Canada. As a result, the Company's executive remuneration program and strategy has been designed with the intent to remain competitive within the Canadian as well as the broader North American markets[1], which have become increasingly competitive over the years, with companies aggressively pursuing mining executives with a successful track record. As the Company proceeds with the integration of Rana Gruber, it will continue to consider the impact of the acquisition on its executive compensation practices as well as compensation practices at Rana Gruber.
- **Pay for performance** — this principle aligns with the Company's desire to create a performance culture that has a direct tangible relationship between pay and performance. Champion does not "pay for failure" nor does it incentivize undue risk taking to achieve performance objectives.
- **To maintain a successful team** — this principle reflects the opportunity cost to retain key personnel who have successfully grown the Company's business over recent years. This includes recognizing individuals with responsibilities that facilitated the recommissioning of Bloom Lake's Phase I in 2018 and completion of the Bloom Lake Phase II expansion project ("Phase II") in 2022, in each case on time and on budget despite several challenges, including the COVID-19 pandemic, the acquisition of several projects and the robust relationships created with important stakeholders locally and globally. Those individuals are expected to lead Champion as it seeks to further increase production at Bloom Lake and continue to develop growth initiatives, such as the recent acquisition of Rana Gruber, which will expand Champion's product portfolio and create a larger and more diversified high-purity iron ore producer, and the partnership with Nippon Steel Corporation ("Nippon") and Sojitz Corporation ("Sojitz") for the development of the Kami Project, (including the initial closing of the transaction contemplated by such partnership during the second quarter of the year ended March 31, 2026), which will increase the Company's participation in the green steel supply chain and help the Company decarbonize its operations over time.
- **To align with Shareholders' interests** — this principle focuses on the alignment of the interests of executives with those of the Shareholders of the Company (the "Shareholders") through a compensation structure where the majority of an executive's compensation is "at risk". Short-term incentive (bonus) ("STI") and long-term incentive ("LTI") remuneration are tied directly or indirectly to Company performance and relative and/or absolute Shareholder returns. Specifically, the use of awards which increase in value when the Company's Share price performance exceeds that of its peers and reduces in value when it trails the performance of its peers (using a second peer group of mining companies for such purposes, which is believed to best reflect Shareholders' investment alternatives to Champion)[2]. In addition to financial alignment, Champion believes in the importance of aligning executive interests with Shareholders' health and safety and Environmental, Social and Governance ("ESG") expectations. Consistent with the foregoing 20% of total bonus awards under the STIP were tied to health and safety and sustainability targets.
- **Corporate governance** — this principle reflects on the need to continually review and, as appropriate for Champion, adopt executive remuneration practices that align with current market practices in which the Company operates its business and where its executive team is located, being the North American mining industry and the competitive landscape, and provide Shareholders with robust disclosure to enable them to fully evaluate compensation practices.

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[1] The employees and main operations of Champion and its subsidiaries are located in the Province of Québec, Canada, and, following the acquisition of Rana Gruber, Champion now also has some employees and operations in Norway. As a result, Champion generally competes within the broader North American market for executives (i.e. Canada and the United States). Therefore, the remuneration practices outlined in this report as well as the Company's remuneration philosophy focus on the North American market as a whole. Nevertheless, given Champion is incorporated under the Corporations Act, proxy advisory firms evaluate Champion using Australian proxy voting guidelines (unlike most North American companies who compete for executive talent with the Company, who are reviewed based on Canadian or United States proxy voting guidelines which are better aligned with North American executive compensation practices).

[2] See "*Compensation Peer Group Selection and Benchmarking*" for a description of the peer group used for benchmarking total executives' compensation in connection with the development and implementation of executive compensation practices, and see "*Long-Term Incentives – Equity Incentives - RSU and PSU Grant*" for a description of the peer group used to assess total Shareholder return relative to peers for purposes of the total Shareholder return component of the PSUs grants under the LTIP.

## B. Remuneration Philosophy & Approach (continued)

The Remuneration, People and Governance Committee has implemented a compensation regime that is structured to reflect the principles set out above, which aligns with the industry standards in which the Company operates and aims to reward outcomes beyond objectives. Executive remuneration consists of a combination of salary, short-term incentives in the form of annual performance bonus awards and longer-term equity-based incentives. A foundation principle of the Company's remuneration philosophy is the promotion of a strong "performance culture" within Management.

At the Company's annual general meeting held in August 2025 (the "2025 AGM"), 37.6% of votes were cast against the adoption of the Remuneration Report for the year ended March 31, 2025, as compared to the 32.1% of votes cast against at the 2024 annual general meeting (the "2024 AGM"). Since more than 25% of eligible shareholders (i.e., excluding KMPs and their closely related parties) voted against the adoption of the Remuneration Report, this constitutes a "first strike" against the adoption of the Remuneration Report. At the 2024 AGM, more than 25% of eligible shareholders had voted against the adoption of the Remuneration Report for the second consecutive year, which then constituted a "second strike" and led Shareholders to vote on a separate resolution on whether an additional Shareholders meeting should be held at which all non-executive directors would be required to seek re-election (the "2024 Spill Resolution"). The 2024 Spill Resolution was near-unanimously rejected, with 99.7% of Shareholders' votes cast against the 2024 Spill Resolution, reflecting Shareholders' very strong support of the Company's Board.

Nevertheless, the same issues relating to the application of Australian proxy voting guidelines paired with the impossibility for the Company to engage with passive asset managers who apply those guidelines led to the disappointing outcome of the 2025 AGM.

The Board was disappointed with the result of the vote on the Remuneration Report, especially in light of the strong and active engagement undertaken by the Board and the Company ahead of the 2025 AGM and the years prior. In anticipation of the 2025 AGM, as it has been doing the last few years, the Company had diligently sought and considered Shareholders' feedback and wider perspectives through meetings with investors, proxy advisers and other Shareholder representatives. The objective of this process was to identify opportunities and mechanisms to improve the Company's executive remuneration practices and disclosure thereof that would address Shareholders' concerns while enabling the Company's executive compensation program to meet the Company's retention and reward objectives. The Company took this opportunity to explain to Shareholders and their representatives the need to ensure remuneration practices remain competitive compared to the Company's peers in the jurisdiction of the business operations and within the context of an extremely competitive employment market for mining executives with successful project development and operation experience in North America.

Throughout its Shareholder engagement campaign, ahead of the 2025 AGM, the Company engaged with over 110 groups, including asset managers, brokers, individuals and custodians collectively representing over approximately 75% of the Company's outstanding Shares. Such engagement included meetings with management and feedback collected by members of the Board, including the Chair of the Remuneration, People and Governance Committee, the Company's executive Chairman, members of the Company's investor relations team and legal department. As a result of such Shareholder engagements, the view of the Board and the Company was that substantial structural legacy concerns and issues expressed by Shareholders over the last few years had been addressed, and that the vast majority of the Shareholders who engaged with the Company generally supported the Company's remuneration philosophies and recognized the practical reality and necessity of the Company to benchmark and align its remuneration practices against North American peers in order to attract and retain key employees. As was the case over recent years, through the engagement campaign, Shareholders acknowledged the work and performance of Management and the Board, which has resulted in substantial corporate growth over recent years, and expressed support for Management and the Board.

Champion, being a dual listed entity in Australia through the facilities of the Australian Securities Exchange (ASX) and in Canada through the facilities of the Toronto Stock Exchange (TSX), is required to comply with the requirements of both facilities and the respective laws of each region. As part of the active engagement process, the Company also discussed with certain investors the impact of the Company being subject to Australian proxy voting guidelines as an Australian incorporated entity, which are in certain cases more restrictive and not aligned with the equivalent guidelines applicable to the compensation of Canadian public companies and their Canadian executives, being the jurisdiction in which the primary business operations of the Company and its subsidiaries are undertaken. While the Company aims to align its approach to governance with best practices for Australia, being its country of incorporation and which defines applicable proxy advisory firms' guidelines, the Company is also required to implement, and prioritize, best practice elements in relation to the region in which it and its subsidiaries operate and employ their personnel, being the Province of Québec, Canada.

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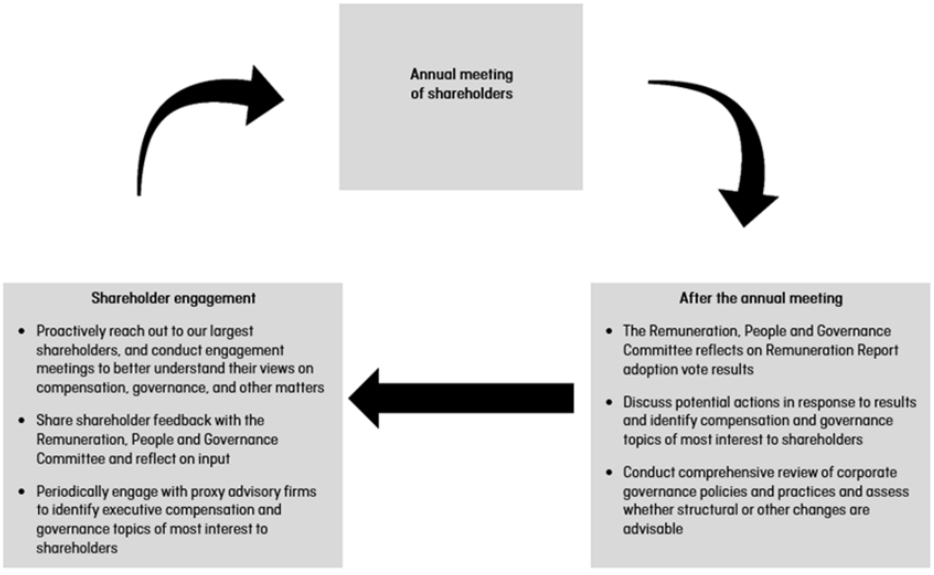
## B. Remuneration Philosophy & Approach (continued)

Over the prior years, the Company proactively responded to proxy research providers' reports and recommendations regarding the Remuneration Report for the respective financial periods ahead of its annual general meetings and made several changes to its compensation practices with a view to find areas of agreement with proxy research providers. For the last two annual general meetings, Glass Lewis, a key proxy advisory firm who has in the past recommended against the Company's remuneration report, had published a recommendation to vote for the adoption of the Company's Remuneration Report following discussions with the Company which allowed Glass Lewis to fully understand the Company's reality of being an Australian company with operations in North America which must remain competitive within that market and who recognized that the Company's remuneration practices were generally in line with practices of companies within the same operating region. Among other factors, Glass Lewis recognized, in their analysis of the Remuneration Report submitted at the 2025 AGM, that a strict interpretation of the applicability of their proxy guidelines, which automatically consider the country of incorporation of an issuer as the sole criterion for determining applicable guidelines, was not warranted considering that almost all of the workforce of the Company and its subsidiaries is located in the Province of Québec, Canada. As a result, Glass Lewis supported the adoption of the Remuneration Report.

As part of this process, the vast majority of Shareholders engaged supported the Company's remuneration philosophies and therefore voted in favour of the Company's Remuneration Report at the 2025 AGM. In analyzing the results of the vote, the Company identified that a substantial number of the votes cast against the Remuneration Report at the 2025 AGM and prior annual general meetings were by passive asset managers receiving proxy advice primarily by proxy research groups (other than Glass Lewis, which supported the adoption of the Remuneration Report) – their recommendation in most cases, derived from a standardized set of guidelines applicable to all Australian issuers irrespective of the nature and type of company and its business strategy and location, and who in most cases do not or cannot engage with issuers.

The inherent incompatibilities between Australian proxy voting guidelines and North American executive compensation market practices are further highlighted by the fact that although the Company implemented significant changes to its remuneration practices following the 2023 AGM and clear disclosure of such changes was included in the 2024 annual report and the 2025 annual report, the Company received substantially the same comments from proxy advisory firms. The Company views the remuneration principles outlined on page 71, namely to "pay competitively", to "pay for performance", and "to align with Shareholders' interests", to be the overarching principles in developing its remuneration practices, and the Board intends on continuing to prioritize these principles as they apply to the market and jurisdiction in which the Company and its subsidiaries undertake their primary business operations and employ their personnel. The Company's remuneration practices have significantly contributed to the strong performance achieved in recent years, and the Company will continue to monitor the executive remuneration program to ensure its competitiveness in attracting and retaining personnel while ensuring that remuneration outcomes are aligned with Shareholder interests.

The Board believes that the remuneration practices of the Company are reflective of its success in attracting and retaining some of the best executives in the industry, based upon the level of sustained performance delivered over the tenure of their employment to date.




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## B. Remuneration Philosophy & Approach (continued)

The table below provides a comprehensive overview of the feedback we received from Shareholders and proxy advisory firms over the past few years, along with the Company's responses. It includes a detailed examination of various general compensation practices, specific concerns raised, and the specific actions taken by the Company to address these issues.

| Feedback Topics / What We Heard | Board Response | Status |
|---|---|---|
| **Long-Term Incentive Program** | | |
| ▪ LTI vesting under the relative Total Shareholder Return hurdle beginning at the 25th percentile with 100% vesting at the 50th percentile; 40% of the LTI grant is in the form of time-based restricted share units ("RSUs") vesting equally over three years with no additional performance hurdles | ***Vesting percentiles*** - While proxy advisors and Australian market practice are in favour of no vesting for relative total shareholder return ("TSR") below the 50th percentile, this is still common market practice in North America. Champion will continue to monitor North American market practices, and use a vesting schedule that is competitive and reflective of generally accepted market practices in North America.<br><br>***Cliff-vesting*** - While RSUs vest equally over three-years, all Shares underlying a RSU grant are only paid at the end of the three-year vesting period based on Champion's Share price at such time, which ensures that executives remain incentivized and that their interests align with those of the Shareholders throughout the full three-year period.<br><br>Therefore, the RSUs remain fully "at-risk" for three years; this equates to a cliff-vesting after the end of the three-year vesting period. Shareholders engaged over the years understand and agree that this practice is customary for TSX-listed issuers, including issuers in the North American mining industry. For example, if an executive is granted 300 RSUs, 100 RSUs will vest each year over three years. However, the actual Shares will only be paid out at the end of the three-year vesting period, based on Champion's Share price at that time. This means that the value of the RSUs is subject to Champion's performance and Share price fluctuations over the entire three-year period, ensuring that the executive's interests remain aligned with those of the Shareholders. In other words, no settlement of RSUs occurs prior to the end of the three-year vesting period. | The Board will continue to assess executive compensation practices in light of North American market practice to ensure compensation remains competitive and reflective of generally accepted market practices of its peers.<br><br>Glass Lewis recognized in their 2025 report that such features are in line with North American practices. |
| ▪ Dividend equivalent payment for outstanding Performance share units ("PSUs") and RSUs | Dividend equivalents on PSUs and RSUs are appropriate and common market practice because they align the interests of executives with those of Shareholders. It is crucial to understand that these dividend equivalents are not actual cash dividends paid at the time of dividend payment; rather, they are provided in the form of additional PSUs and RSUs based on PSUs and RSUs held by each executive, and which are subject to the same performance criteria and vesting conditions as the underlying PSUs and RSUs. As a result, any PSU and RSU granted as dividend equivalent is only paid out at the end of the vesting period and subject to any other applicable vesting conditions (e.g., performance based vesting conditions for PSUs).<br><br>By granting dividend equivalents, Champion creates an opportunity for executives to benefit from the same dividends that shareholders receive, thereby reinforcing the executives' focus on long-term Shareholder value. | The Board will maintain its policy of granting dividend equivalents to ensure compensation stays competitive and aligns with generally accepted market practices of its peers. |

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## B. Remuneration Philosophy & Approach (continued)

| Feedback Topics / What We Heard | Board Response | Status |
|---|---|---|
| Long-Term Incentive Program (continued) | | |
| ▪ No LTI grant resolution | Historically, Australian proxy advisory firms have raised the fact that Champion does not submit its annual LTI grants for Shareholder approval. Champion LTI grants are currently being made under Champion's Omnibus Incentive Plan, first approved by the Board and Shareholders in 2018, as amended in 2024 (the "Omnibus Plan"). The Omnibus Plan contains provisions which provide for the automatic replenishment of the number of securities reserved for issuance and is therefore considered a "rolling plan" under TSX rules relating to security based compensation arrangements. As per TSX rules, rolling plans such as the Omnibus Plan must be re-approved by shareholders every three years. In this context, the Omnibus Plan was last approved by the Shareholders at the 2024 AGM and is expected to be re-submitted for approval at the Company's 2027 annual general meeting, in accordance with TSX rules.<br><br>The Board believes that the submission of the Omnibus Plan every three years to a Shareholder vote is common practice pursuant to the TSX rules and has no intention to change its practice.<br><br>Additionally, grants under the Omnibus Plan have historically had a very limited effect on overall dilution. The Company has prepared the illustrative graph below which outlines the rolling proportion of outstanding compensation securities issued under the Omnibus Plan compared to the total issued and outstanding Shares of Champion for each of Champion's three most recent financial years ended March 31, 2026, 2025 and 2024:<br><br><br> | The Board will continue, in accordance with the rules of the TSX, to submit the renewal of the Omnibus Plan for approval by its Shareholders every three years. |
| ▪ No re-testing or lowering of performance conditions | The Board has not and does not intend to re-test or lower performance conditions associated with PSUs. | Not applicable; no action required. |

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## B. Remuneration Philosophy & Approach (continued)

| Feedback Topics / What We Heard | Board Response | Status |
|---|---|---|
| **Long-Term Incentive Program (continued)** | | |
| ▪ Reduction of the Return on Capital Employed ("ROCE") target for the PSUs grants | The ROCE target continues to be set using the same methodology year-over-year and continues to reflect a rigorous and challenging threshold relative to the Company's operational and financial budgets. Over the recent years, the ROCE targets used for PSU grants have been slightly lower year-over-year, which reflects the significant growth in Champion's capital base over the years and maturity of the Bloom Lake asset, as well as the introduction over the recent years of various capital-intensive projects which are not always expected to have an initial contribution to the Company's EBITDA and other financial measures that would be directly correlated to the investments required to implement such projects. In capital-intensive industries such as mining, a reduction in ROCE over time is to be expected, as issuers diversify their revenue base and also make strategic investments with lower financial returns to support the long-term resilience of their business. As such, the ROCE target for the PSU grants made during the financial year ended March 31, 2026 does not represent a lowering of the Company's performance expectations, but rather reflects the economic reality of a larger, more diversified and mature business, consistent with industry norms for companies at a comparable stage of development.<br><br>The methodology used to establish ROCE targets for a given grant is based on the Company's financial plan approved by the Board near the end of the financial year, which includes certain assumptions with respect to the expected operational results for the Company and the forward-looking iron ore prices in the context of the market and analyst consensus. While operational elements embedded in the financial plan submitted to the Board assume operational initiative to improve the performance of the business year-over-year, reflecting Management's commitment to efficiency gains and cost discipline, the financial plan remains influenced by fluctuations of iron ore prices and other macroeconomic factors which are beyond Management's control. Importantly, the Board applies the same degree of rigour and stretch in setting ROCE targets each year: the target is calibrated so that achieving the budgeted ROCE requires strong execution across all operational and financial dimensions, and the maximum payout threshold demands performance well above budget. The targeted ROCE for the financial year ended March 31, 2026 continues to reflect this same challenging standard, while appropriately accounting for the increased scale, maturity and complexity of the Company's operations. | Not applicable; no action required.<br><br>Glass Lewis recognized in their 2025 report that such reduced targets are reasonable, despite being lower than prior years. |
| **Short-Term Incentive Program** | | |
| ▪ Choice of financial and operating key performance indicators ("KPIs") used to determine performance and payout under the STIP | Shareholders have generally agreed with the financial and operating KPIs used under the STIP (including measures, mix, weighting and targets) and indicated that they viewed these as appropriate and aligned with Champion's strategic goals, including in the context of the changes in STIP metrics for the financial years ended March 31, 2024 and March 31, 2025, which changes were made to ensure payout thereunder was less directly correlated to the iron ore's price and more closely tied to Champion's actual execution of its operating strategy. | Shareholders generally agree with the methodology used to determine performance targets under the STIP; no action required. |

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## B. Remuneration Philosophy & Approach (continued)

| Feedback Topics / What We Heard | Board Response | Status |
|---|---|---|
| **Short-Term Incentive Program (continued)** | | |
| ▪ No deferral of STIP | Australian proxy advisors and Australian market practice are in favour of having part of STI awards deferred. As this is not a common practice in North America and implementing such a deferral mechanism could be a real deterrent to recruiting executives, Champion has not implemented such a mechanism and does not intend to do so in the future. Rather than focusing on a specific narrow area of a remuneration profile such as STI deferral, Champion focuses on the fundamentals that influence the structure of remuneration profiles and developing and maintaining aggregate compensation packages that pay for performance, are competitive within the North American mining industry and are aligned with Shareholders' interests. | While Champion will continue to focus on the fundamentals that influence the structure of remuneration and ensuring alignment of interests with Shareholders, a STI deferral mechanism would not be appropriate in the context of a company with significant business operations in North America where this practice would not be in line with market practice; therefore no action is required. |
| **Base Salary** | | |
| ▪ Consecutive increases of base salary of the Chief Executive Officer | Over the years, the Board has increased the CEO's base salary incrementally in order to bring his base salary and total direct compensation within the median of Champion's peer group. These increases were reflective of the growing size and complexity of the business and the strong performance of Champion in the last years.<br><br>For the financial year ended March 31, 2026, the Board did not increase the CEO's base salary nor the base salaries of other KMP executives. | Increasing base salary is essential for retaining executives, Champion will continue to ensure that base salaries remain competitive in the market, especially in light of Champion's relative performance. |
| **Alignment with Shareholders Interests** | | |
| ▪ Executive securities ownership guidelines | In January 2024, Champion implemented a securities ownership policy applicable to senior executives and non-executive directors as further described in *"Senior Executives Securities Ownership Policy"* under *"2026 Executive Performance Metrics and Incentives"* on page 98, and *"Non-Executive Directors — Securities Ownership Policy"* under "*Director Remuneration*" on pages 105-106 of this report. The Securities Ownership Policy aims to ensure that senior executives' interests, in particular, the value of their personal holdings of Champion securities, are aligned to the interests of Champion's Shareholders. | The *Securities Ownership Policy* was implemented in January 2024, and applies to executives. The Board is also subject to a securities ownership policy; no action required. |
| ▪ Emphasis of performance-based pay | Again this year, the Board was pleased to hear from Shareholders that they generally viewed the aggregate compensation packages, including pay mix and weighting of performance-based awards, as appropriate and aligned with North American market practice. Shareholders also acknowledged that prioritizing alignment with Australian remuneration practices to the detriment of Champion's competitiveness in the North American market for executives would negatively impact Champion's executive remuneration competitiveness. Given the location of the employees and operations of Champion and its subsidiaries in Canada and the extremely competitive North American mining employment market, it is essential for Champion to align with North American market practices with respect to executive compensation. | No action required. |

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## B. Remuneration Philosophy & Approach (continued)

| Feedback Topics / What We Heard | Board Response | Status |
|---|---|---|
| Alignment with Shareholders Interests (continued) | | |
| ▪ The treatment of equity incentive securities upon a change of control provided for in the employment agreements with Champion's NEOs, including accelerated vesting at target without pro-ration; severance entitlements. | The Board has no intention to change the NEOs' current employment agreements and will continue to monitor the market practice.<br><br>In prior years, Australian proxy advisory firms noted that severance entitlements were not reflective of market practice when compared with severance entitlements under Australian corporation laws. The employment agreements entered into by the Canadian subsidiaries of Champion with Champion's executives are governed by the laws of the Province of Québec, where notice period and other requirements relating to termination without cause are more generous than what is provided under Australian corporation law. The Board believes that providing such severance entitlements is necessary in order to provide NEOs with entitlements that are reflective of generally accepted market practices of the region in which Champion operates and that would not reasonably be expected to be below the minimum applicable notice period required under employment laws applicable in the Province of Québec in light of the applicable case law. This has been clearly disclosed in Champion's past Remuneration Reports and Champion will continue with this practice. | Champion will continue to comply with the applicable employment laws that govern each respective employment agreement. Champion does not intend to re-negotiate legacy agreements and will continue to ensure that the terms relating to a change of control for all NEOs remain generally aligned. |
| Peer Group | | |
| ▪ The use of ASX-listed peer comparator companies by a third-party advisory firm in their quantitative and qualitative analyses, as Australian compensation practices differ significantly from those generally accepted in the North American mining industry. Notably, the use by Institutional Shareholder Services ("ISS") of a peer group comprised only of ASX-listed issuers, including some non-producing companies or companies operating in different industries, resulted in CEO compensation for 2025 being materially above ISS-selected peers, while actual compensation was generally aligned with the median of Champion's peer group in North America. | The Board was pleased to hear from Shareholders that Champion's methodology to use a mix of predominantly North American peers to benchmark executive compensation was appropriate, given that the executives and almost all the employees of Champion and its subsidiaries are based in the Province of Québec, Canada. There was no negative feedback on Champion's existing peer group selection.<br><br>Nevertheless, Champion understands the importance of this information for Shareholders and will ensure it continues to provide Shareholders with clear disclosure with respect to executive remuneration decisions, including when salary increases are more significant. | Champion to continue providing clear disclosure with respect to the rationale for peer selection as the competitive landscape evolves and for executive remuneration decisions that result from that evolution. |
| ▪ The use of gold mining entities with operations outside of Canada in Champion's peer group. | Champion evaluates the composition of its peer group on a yearly basis with the help of Meridian Compensation Partners LLC ("Meridian"), as independent remuneration advisers to the Board, and is of the opinion that it must be agnostic to the mining industries of the entities that make up Champion's peer group. This rationale considers the lack of comparable bulk and base metal producers with similar size and complexities to that of Champion, with its successful track record, and strong ESG initiatives. As a result Champion needs to expand its pool of potential entities for its peer group. | Champion to continue to evaluate the composition of its peer group to ensure that it provides an effective benchmark for compensation. |

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## B. Remuneration Philosophy & Approach (continued)

In determining the level of annual performance bonus awards, the Remuneration, People and Governance Committee takes into account overall corporate performance against predetermined performance objectives and metrics. In setting equity-based incentive awards, the Remuneration, People and Governance Committee establishes time-based and performance-based vesting criteria in line with retention and reward objectives. The Remuneration, People and Governance Committee has the authority to seek advice from outside consultants. A more detailed explanation of the various components of executive remuneration can be found at paragraph "*Elements of Executive Remuneration*" on page 82 of this report.

Based on these assessments and within the context of pay for performance principles, the Remuneration, People and Governance Committee makes its recommendations to the Board for approval. These recommendations may reflect factors and considerations other than those indicated by market data or provided by advisors, including a consideration of prevailing economic conditions - both on a corporate level and on national and international levels, industry norms for such awards and other elements of executive compensation.

The Remuneration, People and Governance Committee and the Board as a whole have discretion to reward above the noted plan parameters when an individual or team has made an exceptional contribution to the performance of the Company, to apply discretion where deemed appropriate, or to adjust payouts of or otherwise modify STIP and LTIP awards or compensation outcome, provided that, as explained above, the Board intends to limit any discretionary cash awards to exceptional circumstances. When determining whether it is appropriate and necessary to use its discretion to modify STIP or LTIP awards or adjust compensation, the Board gives consideration, among other things, to the circumstances warranting discretion; to whom discretion should apply; the accountability of the individual and/or group for the issue at hand; and the appropriate impact to remuneration and/or other consequences. An overarching principle considered by the Remuneration, People and Governance Committee is that compensation is about incentivizing the right behaviour and Champion does not want to limit the incentive to outperform.

The Remuneration, People and Governance Committee has considered the implications of the risks associated with the Company's remuneration program by structuring executive remuneration in which a significant portion of overall remuneration is subject to the achievement of certain milestones, including: (i) criteria relating to annual performance, in the case of bonus payments, (ii) vesting periods for RSUs, which vest over three years, and (iii) the achievement of performance criteria over a period of three years for PSUs.

The Remuneration, People and Governance Committee evaluates all executive compensation policies and programs with a view to confirming that the policies and programs do not drive behaviours that would result in inappropriate or excessive risk taking, and that the Company's compensation policies and practices do not result in identified risks that are likely to have a material effect on the Company. This evaluation process focuses on, among other things, strategic and operational risks; compliance risk; reputational risk; and financial and economic risks. Risks are assessed and considered on both an individual element basis and in totality.

Policies of the Company include certain prohibitions which prevent KMPs from engaging in short-term dealings or short selling or margin lending or other secured financing arrangements in respect of the Company's securities without the prior approval of the Senior Vice-President, General Counsel and Corporate Secretary and the Executive Chairman. KMPs are prohibited from engaging in derivatives in respect of Shares of the Company (such as put and call options), or any other hedging or equity monetization transaction in which the individual's economic interest and risk exposure in Shares is changed (such as collars or forward sales contracts).

The Board will continue to review executive remuneration to ensure that executive remuneration continues to align with the Company's strategy, motivate management, reflect market practices in the North American mining industry and support the delivery of sustainable long-term returns to Shareholders. As part of the review process, the Board will continue to engage with major Shareholders, and receive advice from independent experts.

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## C. External Advice

Since December 2021, Meridian has been engaged to assist the Board and to provide independent, third-party analysis and advice on the remuneration levels and practices for the executives as well as the remuneration for the Board. Meridian provided advice and recommendations on the remuneration program for KMPs during each of the financial years ended March 31, 2026 and 2025. The Remuneration, People and Governance Committee exercises oversight over the retention and general scope of work of remuneration consultants to ensure that remuneration recommendations are made free from undue influence by the KMPs to whom they relate.

The table below provides an overview of the total fees paid to Meridian for services rendered during the financial years ended March 31, 2026 and 2025.

| (in Canadian dollars) | 2026 | 2025 |
|---|---|---|
| Fees for services related to executives and Board compensation | $75,455 | $85,234 |
| All other fees | — | — |
| Total | $75,455 | $85,234 |

## D. Compensation Peer Group Selection and Benchmarking

When developing and implementing compensation packages for KMPs, it is standard practice to benchmark total compensation for KMPs against a peer group of companies at similar stages of development, operations, regional geography and of similar size in terms of market capitalization and revenue. For avoidance of doubt, compensation packages for KMPs are not benchmarked against Australian market standards given the employment agreements are based in and relate to the business operations of the Company in Canada.

The Board, in consultation with Meridian, identified a peer group of mining companies with similar operations, with a view to implement market-competitive compensation arrangements for the executives. For the financial year ended March 31, 2026, the Remuneration, People and Governance Committee approved the following compensation peer group that includes 17 similarly-sized publicly-traded mining peers that are generally within 0.3x to 5x of Champion's total assets, market capitalization, total revenues and/or EBITDA:

| Executive Compensation Peer Group | |
|---|---|
| Alamos Gold Inc. | Alpha Metallurgical Resources, Inc. |
| Capstone Copper Corp. | Centerra Gold Inc. |
| Coeur Mining, Inc. | Compass Minerals International, Inc. |
| Eldorado Gold Corporation | Endeavour Mining plc |
| Equinox Gold Corp | Hecla Mining Company |
| HudBay Minerals Inc. | IAMGOLD Corporation |
| Lundin Mining Corporation | Metallus Inc. |
| New Gold Inc. | SSR Mining Inc. |
| Torex Gold Resources Inc. | |

In order to benchmark relative total Shareholder return for purposes of performance share units grants, the Company's independent directors and the Remuneration, People and Governance Committee also identified a second peer group of mining companies further described under the heading "*Long-Term Incentives — Equity Incentives — RSU and PSU Grant*". This peer group is believed to best reflect Shareholders' investment alternatives to Champion, considering the underlying commodity, market capitalization and countries where shares are listed. Accordingly, this peer group differs from the peer group set to implement market-competitive compensation, which in contrast reflects the industry competitive dynamics to retain and attract management in their region of domicile.

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## E. Key Achievements of the Named Executive Officers in the Financial Year Ended March 31, 2026

Since the successful acquisition and commissioning of the Bloom Lake Mine in the 2018 calendar year, Champion has successfully increased production over time, including by achieving nameplate capacity for the Phase II expansion project in 2024. Additionally, the Company continued to make substantial progress on, other growth projects, including the direct reduction pellet feed ("DRPF") project, aimed at further strengthening Champion's position in the green steel supply chain, the evaluation of the Kami project in partnership with Nippon Steel Corporation ("Nippon Steel") and Sojitz Corporation ("Sojitz"), , as well as the recent acquisition of Rana Gruber (which was completed after the end of the financial year ended March 31, 2026), a leading Norwegian producer of high-purity iron ore. All of the achievements and initiatives have contributed to increasing Champion's operational footprint as well as Champion's production, revenues and cash flows. Additionally, the Company continued to incorporate sustainability principles into its daily operations and decision-making, reflecting its ongoing efforts to apply industry best practices in ESG responsibilities.

Key achievements of management during the financial year ended March 31, 2026 include:

- Solid operational and financial performance despite production and shipment challenges from unforeseen events, including third-party rail disruption on the Quebec North Shore and Labrador Railway that caused significant railway service interruption, with an annual production of 14.2 million wmt of high-purity 66.4% Fe concentrate, as well as annual revenues and EBITDA of $1,769.7 million and $499.3 million[1], respectively;
- Despite the aforementioned circumstances, the Company delivered annual records of iron ore concentrate sales of 15.0 million dmt, an 11% year-over-year increase, and material mined and hauled of 87.5 million wmt, a 14% year-over-year increase;
- Continued advancement and initial commissioning of the DRPF project, with cumulative investments of $479.5 million as at March 31, 2026, the successful completion of initial production tests in March 2026;
- Ongoing permitting and feasibility study of the Kami project/partnership and reception of financial support from Natural Resources Canada, under the First and Last Mile Fund (formerly, the Critical Minerals Infrastructure Fund), to advance feasibility work for the Kami Project's key energy and transportation infrastructure;
- Acquisition of Rana Gruber (which was completed after the end of the financial year ended March 31, 2026);
- Maintained stable cash cost per tonne of iron ore concentrate sold year-over-year despite significant inflationary pressures in the industry;
- Completed the Company's inaugural offering of senior unsecured notes, enabling the refinancing of previous senior secured facilities, financed a new term loan and extended the maturity of the Company's senior credit facility (which was completed after the end of the financial year ended March 31, 2026);
- Employee total recordable injury frequency rate of 1.54 for the financial year ended March 31, 2026, down from 1.98 for the prior year, which continues to compare favourably with Québec's open pit industry statistics; and
- Met or exceeded most annual sustainability KPIs set in the Company's previous sustainability report, which incorporated industry best practice disclosure frameworks, including the Global Reporting Initiative, the Sustainability Accounting Standard Board and the Task Force on Climate-Related Financial Disclosures, and onboarded the International Sustainability Standards Board's (ISSB) S2 standard.

## F. Remuneration of Executive Chairman

Mr. O'Keeffe was CEO and Chairman of the Board for the period of August 13, 2013 to March 31, 2019. On April 1, 2019, as part of the implementation of Champion's succession plan, Mr. O'Keeffe stepped down as CEO and was named Executive Chairman of the Board. Mr. O'Keeffe remains an executive and for the financial year ended March 31, 2026, was paid an annual base salary of $800,000, which includes all entitlements payable by the Company to Mr. O'Keeffe. Mr. O'Keeffe was not eligible to receive any annual short and long-term incentives in the form of annual bonus or equity-based compensation, nor was he eligible for non-monetary compensation paid to a superannuation fund on his behalf.

[1] Non-IFRS financial measure, ratio or other financial measure with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P — Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.



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## G. Elements of Executive Remuneration

As is the prevailing practice in the mineral exploration and mining industry, remuneration of the NEOs is comprised of four components:

a) base salary (fixed);
b) short-term incentive (STI) in the form of annual bonus awards (at-risk);
c) long-term incentive (LTI) in the form of equity-based compensation (at-risk); and
d) retirement plan contributions, personal benefits and perquisites (fixed).

The Remuneration, People and Governance Committee determined the aforementioned elements to be key to executive compensation for the 2026 financial year.

## H. 2026 Executive Performance Metrics and Incentives

| | |
|---|---|
| Overall Company Strategic Objectives | • To maximize operational performance and continue its organic growth. |
| Key Deliverables | The executives needed to:<br>• deliver operational performance while ensuring strict adherence to the Company's safety culture and the continuing integration of the Company's sustainability principles in its day-to-day operations and decision-making; and<br>• pursue the Company's organic growth, including by continuing to oversee production at the Bloom Lake Mine, its flagship asset and by continuing to work on the Company's other growth and development projects. |
| Short-Term Incentives (Annual Bonus) | • The target bonus was set as a percentage of each NEO's base salary. The actual bonus was dependent on performance against agreed baseline benchmarking. |
| Long-Term Incentives (RSUs) | • The Company utilized time vesting RSU grants to incentivize and retain the executives in accordance with Canadian practice for the compensation of executives of public companies. |
| Long-Term Incentives (PSUs) | • The Company utilized PSU grants, the vesting of which is based on the performance of the Company against a set of peer companies and certain performance conditions compared to internal targets over a three year period. |

**i. Base Salary**

The Company provides executives with base salaries that represent a fixed element of compensation and their minimum compensation for services rendered or expected to be rendered. The base salary of executives depends on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness and the Company's existing financial resources. Base salaries are determined annually based on the Remuneration, People and Governance Committee's recommendations to the Board. In making its recommendations, the Remuneration, People and Governance Committee, with the assistance of third-party advisors, annually reviews the base salaries of the Company's executives against the base salaries of executives in comparable positions at public companies in the Company's peer group of mining companies.

Base Salary for the Financial Year Ended March 31, 2026

The NEOs' base salaries are intended to be competitive with those paid in the North American mining industry and align with the Company's performance. In the context of recognizing achievements contributing to significant Shareholder value, it is crucial to retain the executives that contributed to value creating drivers over the years including:

- Successful completion of major construction projects within the range of expected capital expenditures and timelines, including:
  - The recommissioning of the Bloom Lake Mine Phase I on time and on budget in the 2018 calendar year;
  - The commissioning of the Phase II expansion project in late April 2022 on time and on budget, doubling Bloom Lake's nameplate capacity to 15 million tonnes per annum; and
  - The ongoing completion and initial commissioning of the DRPF project, aligning the Company with the steel industry's green steel transition by converting half of Bloom Lake's nameplate capacity to an industry leading direct reduction quality iron ore at up to 69% Fe, which is expected to result in significant emission reductions across the steelmaking supply chain;

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**i. Base Salary** (continued)

Base Salary for the Financial Year Ended March 31, 2026 (continued)

- Strategic acquisitions, joint ventures and financings for the Company, including:
  - A series of asset consolidations in the Labrador Trough, including repurchase of a minority stake in the Bloom Lake Mine and the Kami Project, and infrastructure in the region, including the Pointe-Noire Pellet Plant;
  - The entering into a partnership with Nippon Steel and Sojitz for the joint ownership and development of the Kami Project;
  - Completion of the acquisition of Rana Gruber, a leading Norwegian producer of high-purity iron ore (which was completed after the end of the financial year ended March 31, 2026), strengthening Champion's leadership in the global high-quality iron ore industry by diversifying its asset base and product portfolio and creating strategic opportunities for the Company;
  - Several refinancings to maintain a healthy financial situation throughout the delivery of growth projects, while managing equity dilution; and
  - Delivery and ongoing technical studies on several organic growth projects;
- Sustainable practices and community relations, including:
  - No significant environmental issues since the recommissioning of Bloom Lake in 2018;
  - Creation of over 1,400 high quality jobs (excluding jobs related to the acquisition of Rana Gruber) since commissioning of the Bloom Lake Mine, and being amongst the largest employers of First Nations in the Québec Côte-Nord region;
  - Sustainability reports filed by the Company in recent years exceeding industry required disclosures; and
  - The reception, in June 2024, of an additional hydroelectric power allocation from Hydro-Québec, providing access to renewable power that will enable the Company to support growth initiatives that would increase its participation in the green steel supply chain and further decarbonize its operations over time.

The CEO's base salary for the financial year ended March 31, 2026 remained the same as for the financial year ended March 31, 2025, at $1,160,320. The total direct compensation of the CEO is generally aligned with the median of the comparator group.

The base salary for each NEO for the financial year ended March 31, 2026, is set out in a table under the heading "*2026 Remuneration Awards for the Named Executive Officers*".

**ii. Short-Term Incentives (Annual Bonus)**

Target bonus levels (as a percentage of salary) are established to achieve total cash compensation (salary + bonus) at not less than the median of the market when performance is at target levels. In determining annual bonus awards, Champion aims to achieve certain strategic objectives and milestones, which are further described below. An annual target performance bonus award is set for each NEO. The actual performance bonus paid in any year will be based on the performance of the NEOs against pre-determined KPIs. KPIs reflect key deliverables for a particular year.

The STI is an annual incentive plan designed to reward executives for achieving or exceeding financial and non-financial objectives over a one-year period. The STI has been designed to foster an organizational culture of collaboration, co-operation and mutual respect which supports the objective of a long-term outperformance in both the financial and non-financial areas of the business, mainly with annual measures linked to the business strategy, set at levels that are challenging, yet achievable.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**ii. Short-Term Incentives (Annual Bonus)** (continued)

Bonus Awards for the Financial Year Ended March 31, 2026

For the financial year ended March 31, 2026, the Board set a target bonus for each NEO as follows, based on their role and responsibilities and competitive opportunities in the Company's peer group of mining companies:

| NEO | Target Bonus (% Salary)[1] |
|---|---|
| David Cataford | 125% |
| Donald Tremblay[2] | 90% |
| Alexandre Belleau | 90% |
| Steve Boucratie | 90% |
| Michael Marcotte | 80% |

Notes:

(1) As a percentage of base salary for the financial year ended March 31, 2026.

(2) Mr. Tremblay's employment with the Company ended on October 20, 2025.

Non-executive directors are not eligible to receive any bonus awards, and directors who are not NEOs have not received any bonus awards.

Since the financial year ended March 31, 2024, the Board uses realized sales price and total C1 cash cost as part of the performance metrics for the STIP. This year, the Board added sales volume of high-purity iron ore as a new performance metric for the STIP, supporting both ESG objectives and long-term value creation through sustainable and responsible operations. The Board uses these measures given they are less directly correlated to the price of iron ore and more closely tied to the executive's performance and Company's actual execution of its operating strategy (when compared to EBITDA and free cash flows, which were used in prior years).

In addition, this year the Board determined to increase the relative weight of financial and operational performance KPIs used for the STIP, increasing the aggregate weight of such KPIs to 80% of the total STIP (compared to 65% last year). This determination was made to ensure a significant portion of the STIP was based on the Company's actual underlying business performance while keeping the remainder of the STIP based on safety and sustainability metrics designed with the Company's robust commitment to ESG.

For the financial year ended March 31, 2026, the following financial and operating KPIs were established and evaluated:

- **Operational** – 45% of the total bonus was based on meeting a total production volume target of 14,020,000 dmt (15%), a total sales volume of 14,550,000 dmt (20%) and a total DRPF (high-purity iron ore) volume of 210,000 dmt (10%). The Board selected these measures as key performance metrics given that high production and sales volume, including sales volume of high-purity iron ore, represent meaningful operating measures for a high-purity iron ore producer;
- **Financial** – 35% of the total bonus was based on obtaining a realized sales price per dmt of P65 – US$3/dmt - (C3 x 1.25), based on the Company's audited financial statements (10%), C1 cash cost of $77.01/dmt sold (10%) and a mining and processing cost of $53.24/dmt sold (15%), respectively, as per the Company's budget for the financial year ended March 31, 2026. The Board selected these financial metrics as key performance metrics given that they are a strong reflection of operational efficiency and cost management while also reflecting the impact of the iron ore concentrate price throughout a period; and
- **Corporate Responsibility** – 20% of the total bonus was based on overall performance imperatives comprising of health and safety and sustainable development objectives:
    - 15% was based on health and safety targets including no fatalities and minimal time lost due to injuries.
    - 5% was based on sustainability and environmental goals of the Company. The goals are set out below:

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**ii. Short-Term Incentives (Annual Bonus)** (continued)

Bonus Awards for the Financial Year Ended March 31, 2026 (continued)

| # | Category | Description |
|---|---|---|
| | | Environment |
| 1 | Environmental Compliance | Achieve 0 major or significant environmental incident/environmental violation. |
| 2 | Water Management | Achieve 90% of recycled water. |
| 3 | Tailings Management | Achieve 100% compliance with the Mining Association of Canada's tailings management governance model and framework for monitoring tailings retaining structures. |
| | | Social |
| 4 | Community Relations | Address 100% of grievances within 30 days. |
| 5 | First Nations Partners | Organize and hold an annual consultation with its First Nations partners to assess alignment and opportunities for enhanced collaboration. |
| | | Governance |
| 6 | Australian Accountability Standard Board | Identify and disclose physical and transition climate-related risks and opportunities, analyze their financial impact where possible, and optimize the Company's visibility in mitigating risks while leveraging its unique position in the green steel supply chain. |

All objectives were subject to a gradation scale allowing them to be met either at 0% or anywhere from 50% to 200%. No amount of STI is payable in relation to a KPI unless the minimum performance level for that KPI is met. As a result of the application of the gradation scale (0% to 200%) to the target bonus (as a % of salary), the total annual bonus payable to the NEOs is capped at 250% of base salary for the CEO, 180% of base salary for the former CFO, the COO and the Senior Vice-President, General Counsel and Corporate Secretary and 160% of base salary for the Senior Vice-President, Corporate Development and Capital Markets.

The budget for the financial year ended March 31, 2026, was approved in March 2025, as part of the regular Board approval timetable. At such time, the iron ore price assumptions were set through a consensus of various industry experts market iron ore price forecasts for the forthcoming year, plus a critical assessment and scenario analysis on forward-looking operational performance assessed by management. Both the timeline and budget preparation approach were consistent with previous years. The targets for the STI program for the financial year ended March 31, 2026, were recommended by the Remuneration, People and Governance Committee to the Board, and approved by the Board, in May 2025.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**ii. Short-Term Incentives (Annual Bonus)** (continued)

Bonus Awards for the Financial Year Ended March 31, 2026 (continued)

The following bonus score card table outlines the weighting, performance objectives, actual results and payout factor for the bonus awards for the financial year ended March 31, 2026.

| Categories | KPI | Weighting | Minimum Threshold (50% Performance Level) | Target (100% Performance Level) | Stretch (200% Performance Level) | Actual Results | Payout Factor |
|---|---|---|---|---|---|---|---|
| Operational | Total Production (dmt) | 15% | 13,501,000 | 14,020,000 | 14,652,000 | 13,730,000 | 10.8 % |
| | Total Sales Volume (dmt) | 20% | 14,020,000 | 14,550,000 | 15,803,000 | 15,033,000 | 27.7 % |
| | DRPF dmt produced on-spec[1] (dmt) | 10% | 150,000 | 210,000 | 420,000 | — | — % |
| Financial | Mining and Processing Cost ($/dmt)[4] | 15% | $57.23 | $53.24 | $50.84 | $53.37 | 14.8 % |
| | C1 Cash Cost ($/dmt)[4] | 10% | $80.01 | $77.01 | $73.55 | $78.55 | 7.4 % |
| | Realized Sales Price (US$/dmt)[4] | 10% | P65 - US$5/dmt - (C3 x 1.30) | P65 - US$3/dmt - (C3 x 1.25) | P65 + US$1.75/dmt - (C3 x 1.20) | US$84.31 | 7.7 % |
| Corporate Responsibility | Meet Sustainable Development Objectives | 5% | 2 objectives | 4 objectives | 6 objectives | 6 objectives | 10.0 % |
| | Incident Frequency[1][2] (QIO) | 7.5% | 2.47 | 1.90 | 1.71 | 1.54 | 15.0 % |
| | Incident Frequency[2][3] (Contractor) | 7.5% | 3.90 | 3.00 | 2.70 | 2.35 | 15.0 % |
| | | | | | | Total 2026 Bonus Payout Factor | 108.4 % |

Notes:

(1) Lost Time Injury Frequency Rate: Lost time injury + Restricted work injury and Medical Treatment injury / Total hours worked x 200,000 (100 employees working full-time).

(2) If there is a fatality involving either QIO personnel or a contractor, the respective KPI result is 0.

(3) Mine Gate Lost Time Injury Frequency Rate: Lost time injury + Restricted work injury + Medical Treatment injury / Total hours worked x 200,000 (100 employees working full-time).

(4) Non-IFRS financial measure, ratio or other financial measure with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P — Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.

The following table sets out the tabulations for bonuses awarded to NEOs under the Company's STIP for the financial year ended March 31, 2026:

| NEO | Target Bonus (% Salary)[1] | Weighted Score | Actual Bonus (% Salary) | Annual Bonus ($) |
|---|---|---|---|---|
| David Cataford | 125% | 108.4% | 136% | 1,572,234 |
| Donald Tremblay[2] | 90% | —% | —% | 284,587 |
| Alexandre Belleau | 90% | 108.4% | 98% | 667,076 |
| Steve Boucratie | 90% | 108.4% | 98% | 565,848 |
| Michael Marcotte | 80% | 108.4% | 87% | 471,670 |

Notes:

(1) As a percentage of base salary for the financial year ended March 31, 2026.

(2) Mr. Tremblay's employment with the Company ended on October 20, 2025. The amount under "Annual Bonus" represents the amount paid as a lump-sum to Mr. Tremblay for his STIP for the financial year ended March 31, 2026 in connection with the end of his employment with the Company, calculated as the target STIP amount (90% of base salary) prorated based on the number of days Mr. Tremblay was employed with the Company during the financial year.

Non-executive directors are not eligible to receive any bonus awards, and directors who are not NEOs have not received any bonus awards.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives**

Equity-based incentives are a particularly important component of compensation in the mining industry given the long lifecycle of mining and are a critical component of the Company's remuneration philosophy. These plans are designed to align the interests of the NEOs and other participating employees with the interests of Shareholders by linking a component of compensation to the long-term performance of the Shares through "at risk" pay. Awards under these arrangements for the NEOs are structured to create total direct compensation (i.e., the combination of salary + bonus + equity-based incentives) at median market positioning, or above median when performance warrants.

The tables under the section "*RSU and PSU Grants made in the Financial Year ended March 31, 2026*" on page 90 of this report set out the tabulation for the NEO LTI awards that were made during the financial year ended March 31, 2026. Such RSUs and PSUs will vest over a period of three years following the date of grant, and the value of such grants is reported below on pages 95-97 of this report under the heading "*Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table – Non-Statutory*".

Omnibus Incentive Plan

The Omnibus Plan provides flexibility to the Company to grant, in addition to stock options, Deferred Share Units ("DSUs"), PSUs, RSUs, and other forms of equity-based incentive awards. Following the initial approval of the Omnibus Plan by the Shareholders at the 2018 annual and special meeting, all grants of equity-based awards are made pursuant to, or as otherwise permitted by, the Omnibus Plan. In accordance with the rules of the TSX, evergreen plans (such as Champion's) are subject to renewal by Shareholder approval every three years. Subsequent to its initial approval in 2018, the Omnibus Plan was re-approved by the Shareholders at the annual Shareholder meetings held in August 2021 and August 2024 and its renewal will be due for Shareholder approval again in 2027.

The purpose of the Omnibus Plan is to provide eligible persons with an opportunity to share in the growth in value of the Company and to encourage participants to improve the longer-term performance of the Company and its returns to Shareholders. The Omnibus Plan assists the Company in attracting and retaining skilled and experienced employees and aligns their incentives with the longer-term goals of the Company.

Stock Options

At the discretion of the Board, options may be granted under the Omnibus Plan to NEOs taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive market factors. The Board has the ability to establish the expiry date for each stock option, provided that in no event will the expiry date be later than the date which is ten years following the grant date. Typically, stock options granted by the Board vest one third (1/3) on each of the grant date and on the 12 and 24-month anniversaries of grant and are issued with a three-year or four-year term before expiring.

No stock options were granted to NEOs during the financial year ended March 31, 2026.

The following table provides the annual burn rate associated with the Omnibus Plan for each of the Company's three most recent financial years ended March 31, 2026, 2025 and 2024:

| Equity Compensation Plan | Financial Year Ended March 31, | Number of Securities Granted under the Plan[1] | Weighted Average Number of Securities Outstanding[2] | Annual Burn Rate[3] |
|---|---|---|---|---|
| Omnibus Plan | 2026 | 3,397,290 | 530,621,000 | 0.64% |
| | 2025 | 2,051,338 | 518,173,000 | 0.40% |
| | 2024 | 2,095,418 | 517,579,000 | 0.40% |

Notes:

(1) Corresponds to the number of dilutive securities granted under the Omnibus Plan in the applicable financial year.

(2) The weighted average number of securities outstanding during the period corresponds to the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period multiplied by a time-weighting factor.

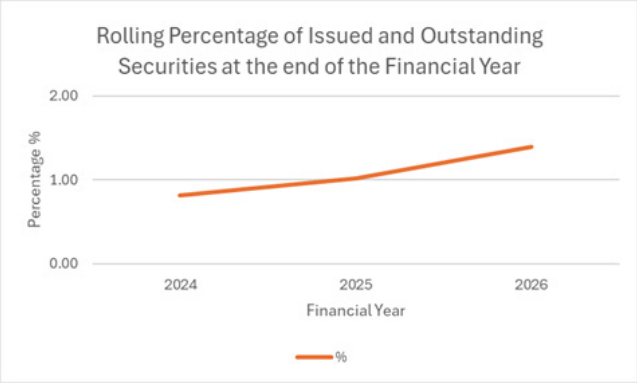
(3) The annual burn rate percent corresponds to the number of dilutive securities granted under the Omnibus Plan divided by the weighted average number of securities outstanding.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives** (continued)

In addition to the annual burn rate outlined above, the graph below provides an illustrative overview of the rolling aggregate proportion of outstanding compensation securities issued under the Omnibus Plan compared to the total issued and outstanding Shares of the Company for each of the Company's three most recent financial years ended March 31, 2026, 2025 and 2024:




Types of Awards under the Omnibus Plan

The types of awards which may be granted under the Omnibus Plan include stock options, RSUs, PSUs, DSUs, or other share-based awards (collectively, the "Awards"). All of the Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting and forfeiture provisions determined by the Board in its sole discretion, and subject to such limitations provided in the Omnibus Plan, and will be evidenced by an award agreement. In addition, subject to the limitations provided in the Omnibus Plan and in accordance with applicable law, the Board may accelerate or defer the vesting or payment of Awards, cancel or amend outstanding Awards, and waive any condition imposed with respect to Awards or Shares issued pursuant to Awards. Any cancellation or amendment to an outstanding Award that may materially adversely alter or impair the rights of a participant under any Award previously granted requires the consent of the affected Participant.

***Stock Options***

A stock option is a right to purchase Shares upon the payment of a specified exercise price as determined by the Board at the time the stock option is granted. The exercise price shall not be less than the "Market Price" of a Share at the time the option is issued, determined as the volume weighted average trading price ("VWAP") of the Shares on the ASX if the eligible person is a resident in Australia and otherwise the VWAP of the Shares on the TSX, calculated by dividing the total value by the total volume of securities traded during the period of five trading days immediately prior to the date of issue.

Stock options may be subject to vesting conditions as determined by the Board. The Board will establish the expiry date for each stock option, provided that in no event will the expiry date be later than the date which is ten years following the grant date. The exercise notice of such option must be accompanied by payment in full of the purchase price for the Shares subject to the options. No Shares will be issued upon the exercise of stock options in accordance with the terms of the grant until full payment for the Shares has been received by the Company.

No stock options were granted during the financial year ended March 31, 2026.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives** (continued)

Types of Awards under the Omnibus Plan (continued)

***Restricted Share Units (RSUs)***

A RSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Shares or cash based on the price of the Shares at some future date.

A RSU will be subject to time-based vesting conditions, timing of settlement and other terms and conditions, not inconsistent with the provisions of the Omnibus Plan, as the Board shall determine; provided that no RSU granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the RSU was granted. When cash dividends are paid by the Company on outstanding Shares, the Company credits additional dividend equivalent RSUs to the participant's account. Dividend equivalent RSUs are subject to the same terms and conditions as the RSUs and vest and are settled at the same time and in the same form as the RSUs to which such dividend equivalent RSUs relate. As is the case for RSUs granted under incentive plans of many TSX-listed issuers, including issuers in the North American mining industry, vesting of the RSUs is based on time-based vesting conditions rather than performance-based vesting conditions. The Company believes that grants of time-based RSUs that are only paid at the end of the three-year vesting period based on the Company's Share price at such time is an effective means of retaining executives by providing compensation packages that remain competitive and reflective of generally accepted market practices of its peers and which reward past performance against pre-established targets and contribute to the Company's annual profitability and growth, and tying executive remuneration to the long-term performance of the Company. This time-based vesting approach with payment at the end of three years based on the Company's Share price at such time is effectively "cliff-vesting" of the grants.

***Performance Share Units (PSUs)***

A PSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Shares, or cash based on the price of the Shares, at some future date, subject to the achievement of performance goals established by the Board over a period of time or with respect to certain project-related specific milestones.

The Board has the authority to determine any vesting and settlement terms applicable to the grant of PSUs, provided that no PSU granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the PSU was granted. It is currently intended that PSUs granted under the Omnibus Plan will be subject to such performance-based vesting conditions, as the Board shall determine from time to time, designed to align the participant with the Company's corporate objectives. When cash dividends are paid by the Company on outstanding Shares, the Company credits additional dividend equivalent PSUs to the participant's account. Dividend equivalent PSUs are subject to the same terms and conditions as the PSUs and vest and are settled at the same time and in the same form as the PSUs to which such dividend equivalent PSUs relate.

All vesting conditions shall be such that the PSUs will comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of subsection 248(1) of the Income Tax Act (Canada) or any successor provision thereto.

The Company began granting PSUs under the Omnibus Plan during the financial year ended March 31, 2020. The PSUs granted during the financial year ended March 31, 2023 vested, in accordance with the applicable performance-based vesting conditions, during the financial year ended on March 31, 2026, and the payout thereunder is disclosed in the section "*Corporate Performance Measures, Results and Related Payout during the Financial Year Ended March 31, 2026*" on page 94 of this report.

***Deferred Share Units (DSUs)***

A DSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Shares, or cash based on the price of the Shares, on a future date, provided that in no event shall a DSU be settled prior to the applicable participant's date of termination of service to the Company. If DSUs are settled in Shares, the rules of the Omnibus Plan require that the Shares be purchased on the market.

DSUs will only be issued to directors of the Company or any of its affiliates who are not employees (the "Directors"). Subject to certain limitations, any Director may, on a bi-annual basis, elect to receive DSUs in lieu of such Director's annual fees or in lieu of a portion of such Director's annual fees by giving written notice of such election. When cash dividends are paid by the Company on outstanding Shares, the Company credits additional dividend equivalent DSUs to the participant's account. Dividend equivalent DSUs are subject to the same terms and conditions as the DSUs and vest and are settled at the same time and in the same form as the DSUs to which such dividend equivalent DSUs relate.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives** (continued)

Types of Awards under the Omnibus Plan (continued)

***Other Share-Based Awards***

The Board may grant to an eligible person, subject to the terms of the Omnibus Plan, such awards, other than those described above, that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as are deemed by the Board to be consistent with the purpose of the Omnibus Plan.

The Board deems equity awards as a valuable retention and incentive mechanism for management. Retention of executives and highly skilled staff continues to be a high priority for the Company for the following reasons:

- the Company aims to set overall target remuneration such that the Company's executive remuneration program and strategy remain competitive within the North American market, which have become increasingly competitive over the years, with companies aggressively pursuing mining executives with a successful track record;
- the high opportunity cost to retain key personnel who have led and are expected to lead Champion as it seeks to further increase production at Bloom Lake and continue to develop growth initiatives that would increase the Company's participation in the green steel supply chain and help the Company decarbonize its operations over time; and
- if there is an interruption to production for any number of reasons, the Company needs to be able to restart production in a safe environment as soon as reasonably possible. The necessary skills that have been developed internally to deal with these challenges cannot be procured easily outside the Company.

***RSU and PSU Grants made in the Financial Year ended March 31, 2026***

During the financial year ended March 31, 2026, the Board granted RSUs and PSUs to its NEOs under the Omnibus Plan. In determining the size of such grants and setting a target for the LTI for each NEO, the Board considered among other things their roles and responsibilities and competitive opportunities in the Company's peer group of mining companies, as described below. The number of RSUs or PSUs granted was determined according to the VWAP of the Shares on the TSX during the period of five trading days immediately prior to the date of grant. The value of such grants is also reported below under the heading "*Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory*" on pages 95-97 of this report.

| NEO | LTIP Target (% salary)[1] | Value of Annual Equity Awards ($) | RSUs ($) | RSUs (# of units)[2] | PSUs ($) | PSUs (# of units)[2] |
|---|---|---|---|---|---|---|
| David Cataford | 265% | 3,074,848 | 1,229,939 | 320,297 | 1,844,909 | 480,445 |
| Donald Tremblay[3] | 145% | 826,210 | 330,484 | 86,064 | 495,726 | 129,095 |
| Alexandre Belleau | 180% | 1,230,768 | 492,307 | 128,205 | 738,461 | 192,308 |
| Steve Boucratie | 155% | 899,000 | 359,600 | 93,646 | 539,400 | 140,469 |
| Michael Marcotte | 145% | 788,655 | 315,462 | 82,152 | 473,193 | 123,227 |

Notes:

(1) As a percentage of base salary for the financial year ended March 31, 2026.

(2) The number of units granted was determined according to the VWAP per Share on the TSX during the period of five trading days immediately prior to the date of grant, being $3.84.

(3) Mr. Tremblay's employment with the Company ended on October 20, 2025. In connection with the end of Mr. Tremblay's employment with the Company, the RSUs and PSUs granted to Mr. Tremblay in the financial year ended March 31, 2026, vested prorated based on the number of days Mr. Tremblay was employed with the Company during the 3-year vesting period and were paid in a lump-sum cash amount. All other RSUs and PSUs comprising such grant were cancelled upon the end of Mr. Tremblay's employment with the Company. See *"Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory"* on pages 95-97 of this report.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives** (continued)

Types of Awards under the Omnibus Plan (continued)

***RSU and PSU Grants made in the Financial Year ended March 31, 2026*** (continued)

None of the directors who are not NEOs received any grants of RSUs or PSUs in the financial year ended March 31, 2026.

The value of the LTIP and related grants are reported in a table on pages 95-97 of this report under the heading "*Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory*" for the applicable financial year in which grants were made, irrespective of whether the performance criteria for vesting had been achieved during such period. The portion of any such LTI awards that vested during any year is shown in the table presented in the section "*Incentive Plan Awards — Value Vested or Earned During the Year*" on page 108 of this report.

The grants of RSU and PSU awards made during the financial year ended March 31, 2026, consisted of the following components:

- RSU Grant (40% of LTI): vesting equally over a three-year period following the date of grant and subject to no performance hurdles (RSUs effectively "cliff-vest" because they are not paid out until the end of the three-year vesting period and the payment for all RSUs is based on the Company's Share price at such time); and
- PSU Grant (60% of LTI): measured against certain performance conditions over the three years commencing on April 1, 2025, and ending on March 31, 2028, and which vest at the end of that three-year period subject to the key performance measures having been met.

The Board established the following key performance measures for the PSUs which the Board believes provide the most suitable link to long-term Shareholder value creation. Specifically, the criteria encourage executives to focus on the key performance drivers which underpin the Company's strategy with a view to delivering long-term growth in Shareholder value. The potential "maximum" earning opportunity is not expected to be achieved each year, but is designed to only be achieved in respect of exceptional performance or circumstances.

- 40% of the grant based on the performance of the Company's Share price (or TSR) relative to a peer group, between April 1, 2025, and March 31, 2028. 200% of the TSR portion of the PSUs grant will vest if the Company's TSR reaches the 85% percentile of the peer group, 175% of the TSR portion of the PSUs grant will vest if the Company's TSR reaches the 75% percentile of the peer group, 100% of the TSR portion of the PSUs grant will vest if the Company's TSR is at the 50% percentile of the peer group and 50% of the TSR portion of the PSUs grant will vest if the Company's TSR is at the 37.5% percentile of the peer group. Proportional vesting will, respectively, occur between the 25% and 37.5% percentiles, 37.5% and 50% percentiles, 50% and 75% percentiles, and 75% and 85% percentiles. No vesting will occur if Champion's TSR is less than the 25% percentile of the peer group. This approach as to vesting relative to the peer group is customary in the North American mining industry and is taken into account by the Board when determining the overall compensation of NEOs. The Board believes this approach is appropriate to ensure executive compensation remains competitive and reflective of generally accepted market practices of the Company's peers.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives** (continued)

Types of Awards under the Omnibus Plan (continued)

***RSU and PSU Grants made in the Financial Year ended March 31, 2026*** (continued)

Relative TSR provides an appropriate, external market performance measure having regard to a peer group of companies with which the Company competes for capital, customers and talent. The use of relative TSR ensures that executives are motivated to deliver returns that are superior to what a Shareholder could achieve in the broader market and ensures management maintains a strong focus on Shareholder outcomes. In order to benchmark relative TSR for purposes of the grants of PSUs made in the financial year ended March 31, 2026, the Company's independent directors and the Remuneration, People and Governance Committee identified a peer group of mining companies with generally similar stage of development operations, annual revenues and market capitalization. The group has been designed to focus on (i) internationally listed companies that are involved in the same commodity, and (ii) companies that are involved in steel manufacturing and metallurgical coal, given their correlation to iron ore. The companies in the TSR peer group are listed below, and may be adjusted from time to time, including as a result of companies being acquired during the applicable performance period:

| TSR Peer Group[1] | |
|---|---|
| Rana Gruber ASA (OSE)[2] | Cleveland-Cliffs Inc. (NYSE) |
| Capstone Copper Corp. (TSX) | Deterra Royalties Ltd. (ASX) |
| Ero Copper Corp. (TSX) | Fortescue Ltd. (ASX) |
| Grange Resources Limited (ASX) | Hudbay Minerals Inc. (TSX) |
| Kumba Iron Ore Ltd. (JSX) | Labrador Iron Ore Royalty Corporation (TSX) |
| Lundin Mining Corporation (TSX) | Mineral Resources Ltd. (ASX) |
| Mount Gibson Iron Limited (ASX) | Sandfire Resources Ltd. (ASX) |
| Companhia Siderurgica Nacional S.A. (BOVESPA) | Whitehaven Coal Limited (ASX) |
| CAP SA (SNSE) | Algoma Steel Group Inc. (TSX) |

Notes:

(1) Stelco Holdings Inc., who was included in the TSR peer group for grants made in previous years, was removed following its acquisition in 2024. CAP SA, Companhia Siderurgica Nacional S.A. has been added to the peer group as it represents a global investment alternative to Champion with similar underlying commodities.

(2) Rana Gruber is expected to be removed from the TSR peer group in the following years given its acquisition by the Company (which was completed following the end of the financial year ended March 31, 2026.)

- 60% of the grant based on an actual ratio of ROCE compared to a target ratio set by the Board. The actual ratio is measured over the three-year period commencing on April 1, 2025, and ending on March 31, 2028, by dividing (i) average EBITDA for each year in the three-year period by (ii) average capital employed (long-term debt plus Champion's consolidated total equity, including options and warrants, including lease liabilities and excluding cash and cash equivalents up to a certain threshold) for each year in the three-year period.

For the PSUs granted in the financial year ended March 31, 2026, if the actual ratio represents more than 135% of the corresponding target ratio based on the Company's budget for the three-year reference period (which was set at 0.26 for the financial year ended March 31, 2026), 200% of that portion of the PSUs grant will vest at the end of the three-year period. If the actual ratio equals the corresponding target ratio based on the Company's budget for the three-year reference period, 100% of that portion of the PSUs grant will vest at the end of the reference period. If the actual ratio is less than the target ratio based on the Company's budget for the three-year reference period, a reduced percentage of this portion of the PSUs grant will vest. Proportional vesting will occur if the actual ratio represents between 70% to 100% or 100% to 135% of the target ratio, and will be between 75% and 200%. No vesting will occur if the actual ratio is less than 70% of the target ratio based on the Company's budget for the three-year reference period. The Board believes that the use of ROCE as a performance measure allows executive pay to be linked to capital allocation discipline and therefore further aligns executives' interests with Shareholders' interests.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives** (continued)

Types of Awards under the Omnibus Plan (continued)

***RSU and PSU Grants made in the Financial Year ended March 31, 2026*** (continued)

The following table outlines the payout percentages associated to the specific ranges of actual ratio of ROCE, for the PSU grants made during the financial year ended March 31, 2026:

| Targets — ROCE | Vesting of 60% Portion of PSU Grants |
|---|---|
| 0.35 and above | 200% |
| 0.26 | 100% |
| 0.18 | 75% |
| Less than 0.18 | Nil |

The ROCE target continues to be set using the same methodology year-over-year and continues to reflect a rigorous and challenging threshold relative to the Company's operational and financial budgets. Over the recent years, the ROCE targets used for PSU grants have been slightly lower year-over-year, which reflects the significant growth in Champion's capital base over the years and maturity of the Bloom Lake asset, as well as the introduction over the recent years of various capital-intensive projects which are not always expected to have an initial contribution to the Company's EBITDA and other financial measures that would be directly correlated to the investments required to implement such projects. In capital-intensive industries such as mining, a reduction in ROCE over time is to be expected, as issuers diversify their revenue base and also make strategic investments with lower financial returns to support the long-term resilience of their business. As such, the ROCE target for the PSU grants made during the financial year ended March 31, 2026 does not represent a lowering of the Company's performance expectations, but rather reflects the economic reality of a larger, more diversified and mature business, consistent with industry norms for companies at a comparable stage of development.

The methodology used to establish ROCE targets for a given grant is based on the Company's financial plan approved by the Board near the end of the financial year, which includes certain assumptions with respect to the expected operational results for the Company and the forward-looking iron ore prices in the context of the market and analyst consensus. While operational elements embedded in the financial plan submitted to the Board assume operational initiative to improve the performance of the business year-over-year, reflecting Management's commitment to efficiency gains and cost discipline, the financial plan remains influenced by fluctuations of iron ore prices and other macroeconomic factors which are beyond Management's control. Importantly, the Board applies the same degree of rigour and stretch in setting ROCE targets each year: the target is calibrated so that achieving the budgeted ROCE requires strong execution across all operational and financial dimensions, and the maximum payout threshold demands performance well above budget. The targeted ROCE for the financial year ended March 31, 2026 continues to reflect this same challenging standard, while appropriately accounting for the increased scale, maturity and complexity of the Company's operations. As it regards to the acquisition of Rana Gruber, the Board will evaluate the impact thereof on the Company's outstanding and future PSUs, in light of the capital employed for the purchase price of the acquisition and the initial expected impact of Rana Gruber on the Company's consolidated results. Any changes or adjustments will be carefully considered, with a view to ensure that the ROCE metric under the LTIP remains consistent with the principles relied upon at the time the applicable metric was set and tied to the actual performance of the Company while remaining fully aligned with shareholders' interests.

The Board believes that the performance criteria for such PSU grants provide the most suitable link to long-term Shareholder value creation. Specifically, the performance criteria encourage executives to focus on the key performance drivers which underpin the Company's strategy to deliver long-term growth in Shareholder value. Generally, the potential "maximum" earning opportunity is not expected to be achieved each year, but is designed to only be achieved in respect of exceptional performance or circumstances. The value of the LTI grants is reported in a table on pages 95-97 of this report under the heading "*Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory*", irrespective of whether the performance criteria for vesting had been achieved during such period. The portion of any such LTI awards that vested during any year is shown in the table presented on page 108 of this report "*Incentive Plan Awards — Value Vested or Earned During the Year*".

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**iii. Long-Term Incentive — Equity-Based Incentives** (continued)

Types of Awards under the Omnibus Plan (continued)

***Corporate Performance Measures, Results and Related Payout during the Financial Year Ended March 31, 2026***

During the financial year ended March 31, 2026, the PSUs granted during the financial year ended March 31, 2023, which vested over a three-year period subject to the achievement of performance-based vesting conditions, vested and paid out, and had an aggregate payout percentage of 70.2%, below target vesting percentage, as a result of the TSR and ROCE performance criteria for the performance period having been met below target but above the minimum performance level for vesting.

| Financial Measure | Weighting | Actual Result | Payout |
|---|---|---|---|
| TSR | 40% | 40.0 percentile of peer group[1] | 24.0% |
| ROCE[2] | 60% | 0.33 | 46.2% |
| **Total** | **100%** | **—** | **70.2%** |

Notes:

(1) Based on the total Shareholder return over the three-year period ended on March 31, 2025, compared to the Company's applicable PSU peer group average.

(2) Non-IFRS financial measure, ratio or other financial measure with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P — Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.

**iv. Retirement Plan Contributions, Personal Benefits and Perquisites**

Champion has adopted a registered pension plan and a non-registered savings plan for its NEOs. The executive plan design is based on employer contributions solely and calculated on base salary and STI. Personal group health and life insurance benefits provided to the NEOs are available to all permanent full-time employees of the Company. At the discretion of the Board and based on market-prevalent practices, other perquisites may be provided to NEOs in relation to the specific office held by each NEO.

| | |
|---|---|
| Eligibility | Upon start of employment for executives |
| Participation | Compulsory |
| Employer Contributions | Effective April 1, 2022, 10.5% of base salary and STI |
| Employer Maximum Contributions | Employer contribution up to a maximum of $33,810 for the calendar year 2026 within the registered pension plan, excess is vested in non-registered savings plan. |
| Vesting | Immediate |
| Transfers from Other Plans | Permitted in non-registered savings plan |

The following table sets out, for each NEO, the accumulated value at the start of the financial year, the compensatory value and the accumulated value at the end of the financial year ended March 31, 2026.

| Name | Accumulated Value at Start of Year ($) | Employer's Contribution ($) | Accumulated Value at Year-End ($) |
|---|---|---|---|
| David Cataford | 1,342,521 | 293,461 | 1,635,982 |
| Donald Tremblay[1] | 296,277 | 37,461 | — |
| Alexandre Belleau | 665,271 | 148,138 | 813,409 |
| Steve Boucratie | 512,258 | 126,614 | 638,872 |
| Michael Marcotte | 429,781 | 112,935 | 542,716 |

Note:

(1) Mr. Tremblay's employment with the Company ended on October 20, 2025.

Directors who are not NEOs are not eligible for, and have not received, any of the retirement plan contributions and personal benefits set out above during the financial year ended March 31, 2026.



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## H. 2026 Executive Performance Metrics and Incentives (continued)

### v. 2026 Remuneration Awards for the Named Executive Officers

Annual base salary, bonus, PSU grants and RSU grants in the financial year ended March 31, 2026, to the NEOs were as follows.

| Name and Principal Position | Annual Base Salary ($) | Bonus ($) | Total PSU Grant ($) | Total RSU Grant ($) |
|---|---|---|---|---|
| **David Cataford**<br>CEO | 1,160,320 | 1,572,234 | 1,844,909 | 1,229,939 |
| **Alexandre Belleau**<br>COO | 683,760 | 667,076 | 738,461 | 492,307 |
| **Steve Boucratie**<br>Senior Vice-President, General Counsel and Corporate Secretary | 580,000 | 565,848 | 539,400 | 359,600 |
| **Michael Marcotte**<br>Senior Vice-President, Corporate Development and Capital Markets | 543,900 | 471,670 | 473,193 | 315,462 |
| **Donald Tremblay**[1]<br>Former CFO | 315,581[2] | 284,587[3] | 495,726[4] | 330,484[4] |

Notes:

(1) Mr. Tremblay's employment with the Company ended on October 20, 2025.

(2) The amount under "Annual Base Salary" represents the amount of base salary earned by Mr. Tremblay for the period up to the date of his departure.

(3) The amount under "Bonus" represents the amount paid as a lump-sum to Mr. Tremblay for his STIP for the financial year ended March 31, 2026 in connection with the end of his employment with the Company, calculated as the target STIP amount (90% of base salary) prorated based on the number of days Mr. Tremblay was employed with the Company during the financial year.

(4) In connection with the end of Mr. Tremblay's employment with the Company, the RSUs and PSUs granted to Mr. Tremblay in the financial year ended March 31, 2026 vested prorated based on the number of days Mr. Tremblay was employed with the Company during the 3-year vesting period and were paid in a lump-sum cash amount. All other RSUs and PSUs comprising such grant were cancelled upon the end of Mr. Tremblay's employment with the Company. As a result, cash amounts of $62,321.82 and $41,548.20 were paid to Mr. Tremblay in connection with the end of his employment with the Company in respect of the PSUs and RSUs granted to Mr. Tremblay in the financial year ended March 31, 2026. See "*Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory*" on pages 95-97 of this report.

Further information pertaining to the NEO's remuneration for the past three financial years is found in the section, "*Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory*", on pages 95-97 of this report.

### vi. Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory

The following table discloses a summary of remuneration earned by each of Champion's NEOs for each of the three most recently completed financial years ended March 31, 2026, 2025 and 2024. As described in the footnotes to the summary remuneration table, amounts presented under the columns entitled "*Share-based Awards*" and "*Option-based Awards*" reflect the full fair values of the awards as measured at their respective grant dates. Accordingly, the amounts presented thereunder are not reflective of the related accounting expense for the current financial year. Refer to "*Details of Total Statutory Remuneration for KMP (NEOs and Directors)*" on page 109 of this report for the statutory remuneration table for this financial year as calculated with reference to the Corporations Act, Australian Accounting Standards and International Financial Reporting Standards.

The value of an incentive award is included below in the year during which the grant of the award was made. Further information pertaining to the NEOs' LTI remuneration for the 2026 financial year is presented in the section, "*2026 Remuneration Awards for the Named Executive Officers*" on page 95 of this report.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**vi. Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory** (continued)

| Name and Principal Position | Year | Salary ($) | Share-Based Awards[1] ($) | Option-Based Awards ($) | Non-Equity Incentive Plan Compensation | | Pension Value ($) | All Other Compensation ($) | Total ($) | At Risk (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Annual Incentive Plans ($) | Long-Term Incentive Plans ($) | | | | |
| **David Cataford** CEO | 2026 | 1,160,320 | 3,074,848 | — | 1,572,234 | — | 293,461 | 72,987 | 6,173,850 | 75 % |
| | 2025 | 1,160,320 | 3,074,848 | — | 1,390,294 | — | 274,524 | 69,049 | 5,969,035 | 75 % |
| | 2024 | 1,120,000 | 2,968,000 | — | 1,290,800 | — | 259,228 | 67,273 | 5,705,301 | 75 % |
| **Alexandre Belleau** COO | 2026 | 683,760 | 1,230,768 | — | 667,076 | — | 148,138 | 73,199 | 2,802,941 | 68 % |
| | 2025 | 683,760 | 1,230,768 | — | 589,882 | — | 140,416 | 72,953 | 2,717,779 | 67 % |
| | 2024 | 660,000 | 1,188,000 | — | 547,668 | — | 132,932 | 61,694 | 2,590,294 | 67 % |
| **Steve Boucratie** Senior Vice-President, General Counsel and Corporate Secretary | 2026 | 580,000 | 899,000 | — | 565,848 | — | 126,614 | 75,379 | 2,246,841 | 65 % |
| | 2025 | 580,000 | 899,000 | — | 500,368 | — | 120,596 | 75,634 | 2,175,598 | 64 % |
| | 2024 | 545,000 | 844,750 | — | 401,992 | — | 103,855 | 51,579 | 1,947,176 | 64 % |
| **Michael Marcotte** Senior Vice-President, Corporate Development and Capital Markets | 2026 | 543,900 | 788,655 | — | 471,670 | — | 112,935 | 72,557 | 1,989,717 | 63 % |
| | 2025 | 543,900 | 788,655 | — | 417,088 | — | 107,509 | 72,953 | 1,930,105 | 62 % |
| | 2024 | 525,000 | 761,250 | — | 387,240 | — | 100,399 | 51,219 | 1,825,108 | 63 % |
| **Donald Tremblay[2]** Former CFO | 2026 | 315,581[3] | 826,210[4] | — | 284,587[5] | — | 37,461 | 782,641[6] | 2,246,480[7] | 49 % |
| | 2025 | 569,800 | 826,210 | — | 491,568 | — | 118,064 | 73,035 | 2,078,677 | 63 % |
| | 2024 | 550,000 | 797,500 | — | 456,390 | — | 110,235 | 50,351 | 1,964,476 | 64 % |

Notes:

(1) Share-based awards consist of RSUs and/or PSUs which are subject to vesting criteria. The Share-based awards value is based on the fair market value of the Share price at the time of the grant. For the awards granted in the financial year ended March 31, 2026, the fair market value of the Shares at the time of grant was at $3.84. For the awards granted in the financial year ended March 31, 2025, the fair market value of the Shares at the time of grant was at $5.94. For the awards granted in the financial year ended March 31, 2024, the fair market value of the Shares at the time of grant was at $5.06.

(2) Mr. Tremblay's employment with the Company ended on October 20, 2025.

(3) Mr. Tremblay's base salary is in respect of the period up to the date of his departure.

(4) Represents the grant date fair value of the PSUs and RSUs granted to Mr. Tremblay in the financial year ended March 31, 2026. In connection with the end of Mr. Tremblay's employment with the Company, such PSUs and RSUs vested prorated based on the number of days Mr. Tremblay was employed with the Company during the 3-year vesting period and were paid in a lump-sum cash amount, with all other RSUs and PSUs comprising such grant being cancelled upon the end of Mr. Tremblay's employment with the Company. As a result, cash amounts of $62,321.82 and $41,548.20 were paid to Mr. Tremblay in connection with the end of his employment with the Company in respect of the PSUs and RSUs granted to Mr. Tremblay in the financial year ended March 31, 2026.

(5) Represents the amount paid as a lump-sum to Mr. Tremblay for his STIP for the financial year ended March 31, 2026 in connection with the end of his employment with the Company, calculated as the target STIP amount (90% of base salary) prorated based on the number of days Mr. Tremblay was employed with the Company during the financial year.

(6) In connection with his departure from the Company, all unvested RSUs and PSUs held by Mr. Tremblay on the date of his departure from the Company vested on a prorated basis based on the number of days worked during the financial year and were settled in cash in the form of a lump-sum payment in the aggregate amount of $593,700.57, based on the fair market value of the Shares on August 25, 2025 (the date at which Mr. Tremblay's departure was announced) of $3.88. Further, the payment of all RSUs held by Mr. Tremblay that were already vested as at the end of his employment with the Company but which had not yet completed the three-year period after which RSUs can be paid was accelerated, resulting in Mr. Tremblay receiving of a lump-sum payment for such vested RSUs in the aggregate amount of $251,953.47, based on the fair market value of the Shares on August 25, 2025 (the date at which Mr. Tremblay's departure was announced) of $3.88. The amount included in the above table includes such amounts, less the portion of this amount in respect of the RSUs and PSUs that were granted during the financial year ended March 31, 2026 and which are already included in the share-based awards column. as described in footnote 4.

(7) Represents the total compensation of Mr. Tremblay for the financial year ended March 31, 2026, as reported in accordance with Item 3 of Form 51-102F6 under NI 51-102. The amount is comprised of: (i) $315,581, representing Mr. Tremblay's base salary in respect of the period up to the date of his departure as described in footnote 3, (ii) $826,210, representing the grant date value of the PSUs and RSUs granted to Mr. Tremblay during the financial year (which PSUs and RSUs vested on a prorated basis in connection with the end of Mr. Tremblay's employment, with Mr. Tremblay receiving a lump-sum of $103 870,02 for such PSUs and RSUs as described in footnote 4), (iii) $284,587, representing the amount paid as a lump-sum amount to Mr. Tremblay for his STIP for the financial year as described in footnote 5, (iv) $37,461 representing pension benefits; and (vi) $782,641, representing the lump-sum paid to Mr. Tremblay for all of his unvested RSUs and PSUs which vested on a prorated basis in connection with the end of his employment ($593,700.57) and the lump-sum paid to Mr. Tremblay for all of this RSUs that were already vested as at the end of his employment but which had not yet completed the three-year period after which RSUs can be paid, the payment of which was accelerated ($251,953.47) as described in footnote 6.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**vi. Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory** (continued)

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the outstanding option-based and share-based awards for NEOs as at March 31, 2026, the end of the Company's most recently completed financial year.

| Name and Principal Position | Option-Based Awards | | | | Share-Based Awards[1] | | |
|---|---|---|---|---|---|---|---|
| | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price ($) | Option Expiration Date (M/D/Y) | Value of Unexercised In-the-Money Options ($) | Number of Shares or Units of Shares that Have not Vested (#) | Market or Payout Value of Share-Based Awards that Have not Vested ($) | Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($) |
| **David Cataford**<br>CEO | – | – | – | – | 1,795,936 | 9,159,273 | 1,257,505 |
| **Alexandre Belleau**<br>COO | – | – | – | – | 718,861 | 3,666,190 | 503,334 |
| **Steve Boucratie**<br>Senior Vice-President, General Counsel and Corporate Secretary | – | – | – | – | 521,421 | 2,659,245 | 360,856 |
| **Michael Marcotte**<br>Senior Vice-President, Corporate Development and Capital Markets | – | – | – | – | 460,634 | 2,349,232 | 322,526 |
| **Donald Tremblay[2]**<br>Former CFO | – | – | – | – | – | – | – |

Notes:

(1) Share-based awards consist of RSUs and PSUs and are settled in Shares or cash in accordance with the Company's Omnibus Plan, and include RSUs and PSUs issued as dividend equivalents. RSUs vest over a specific period of time while PSUs vest over a predetermined period of time upon meeting predetermined performance criteria. For more information regarding RSU and PSU vesting, please see the Omnibus Plan Awards. The market or payout value is based on the TSX market closing price of the Shares on March 31, 2026, being $5.10.

(2) Mr. Tremblay's employment with the Company ended on October 20, 2025.

Omnibus Plan Awards — Value Vested or Earned During the Financial Year Ended March 31, 2026

The following table discloses incentive plan awards, including annual incentive bonuses and contracted milestone bonuses, vested or awarded during the financial year ended March 31, 2026:

| Name | Value Vested During the Year ($)[1] | | Value Earned During the Year ($) |
|---|---|---|---|
| | Option-Based Awards | Share-Based Awards | Non-Equity Incentive Plan Compensation |
| David Cataford | – | 1,551,985 | 1,572,234 |
| Donald Tremblay[2] | – | – | 284,587 |
| Alexandre Belleau | – | 548,449 | 667,076 |
| Steve Boucratie | – | 443,844 | 565,848 |
| Michael Marcotte | – | 369,333 | 471,670 |

Notes:

(1) Option-based awards value vested during the year is the difference between the market price of the underlying securities at vesting date and the exercise price of the options under the option-based award. Share-based award value vested during the year is calculated using the Company's VWAP of the Shares on the TSX during the period of five trading days immediately prior to the vesting date. Share-based awards consisted of RSUs and PSUs and include RSUs and PSUs issued as dividend equivalents.

(2) Mr. Tremblay's employment with the Company ended on October 20, 2025.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**vii. Senior Executives Securities Ownership Policy**

In January 2024, Champion implemented the Securities Ownership Policy, which replaced the prior share and share-based ownership policy, of the Company that only applied to non-executive directors. The Securities Ownership Policy implemented share and share-based ownership requirements for the senior executives of Champion and its subsidiaries ("Senior Executives") and non-executive directors of Champion, and is designed to align the interests of those subject to the policy with the long-term interests of Shareholders.

Pursuant to the Securities Ownership Policy, the executive Chairman and the CEO of Champion are each required to hold an aggregate number of Shares, vested and unvested RSUs, and a portion (only 65%) of vested and unvested PSUs (for purposes of this section, collectively, "Champion Equity") having an aggregate value of at least three times their annual base salary, and the CFO, the COO and the senior vice presidents of Champion are each required to hold an aggregate number of Champion Equity having an aggregate value of at least two times their annual base salary. The required level of ownership of Champion Equity held by Senior Executives is referred to as the "Relevant Threshold". Ownership requirements must be achieved by January 30, 2029, or within five years of the date of appointment as a Senior Executive, whichever occurs later. If a Senior Executive's base salary increases, such Senior Executive shall meet the required level of ownership of the Securities Ownership Policy taking into account such increased salary within five years of the increase occurring.

Once the value of the Champion Equity held by a Senior Executive exceeds the Relevant Threshold, calculated as the greater of either the aggregate acquisition value for the Champion Equity held by the Senior Executive or the fair market value of the Champion Equity held by the Senior Executive at the relevant time (in each case with only 65% of PSUs held being taken into account), such individual is deemed to meet the applicable ownership guideline. A Senior Executive who has achieved the necessary ownership level will be deemed to meet the applicable ownership guideline on an ongoing basis as long as such Senior Executive does not dispose of Shares which would cause such individual to no longer meet the Relevant Threshold immediately following such disposition based on the Champion Equity then held or deemed to be held by such individual. In developing the Securities Ownership Policy, the Board, with the advice of Meridian, determined that, given the heavier weighting of PSUs in the Champion's LTI program compared to market standards, a portion of the PSUs held by Senior Executives would be taken into account for purposes of the Securities Ownership Policy, provided that PSUs would only be accounted for assuming vesting at the threshold level (i.e., 65% of the PSUs).

Where the value of the Champion Equity held by a Senior Executive is below the applicable requirement, the Senior Executive is required to use 50% of the after-tax proceeds from any cash settlement of his or her RSUs or PSUs to purchase Shares on-market.

As of the date of this Remuneration Report, all NEOs have met the minimum securities ownership requirements. Without considering the PSUs that are taken into account for purposes of the Securities Ownership Policy (being 65% of the PSUs held at the relevant time, as explained above), all NEOs would still meet the minimum securities ownership requirements. The table below sets out, for each NEO, his security ownership requirements, whether he satisfied such requirements and his ownership of Champion Equity for purposes of the Securities Ownership Policy, in each case as of the end of the financial year ended March 31, 2026:

| Name | Total Number of Securities Owned | Total Value of Champion Equity[1] | Value Required to meet Guidelines | Latest Date to Comply | Satisfies Requirements | Ownership as Multiple of Annual Base Salary | Total Value of Shares and RSUs[1] |
|---|---|---|---|---|---|---|---|
| David Cataford | 2,500,284 Shares<br>817,002 RSUs<br>796,578 PSUs[2] | $20,980,704 | 3x Base Salary | January 30, 2029 | Yes | 18.1 Base Salary | $16,918,156<br>14.6x Base Salary |
| Alexandre Belleau | 311,197 Shares<br>327,021 RSUs<br>318,846 PSUs[2] | $4,881,028 | 2x Base Salary | January 30, 2029 | Yes | 7.1 Base Salary | $3,254,912<br>4.8x Base Salary |
| Steve Boucratie | 158,997 Shares<br>236,871 RSUs<br>230,949 PSUs[2] | $3,196,765 | 2x Base Salary | January 30, 2029 | Yes | 5.5 Base Salary | $2,018,927<br>3.5x Base Salary |
| Michael Marcotte | 249,517 Shares<br>209,550 RSUs<br>204,311 PSUs[2] | $3,383,226 | 2x Base Salary | January 30, 2029 | Yes | 6.2 Base Salary | $2,341,242<br>4.3x Base Salary |

Notes:

(1) Calculated as the greater of (i) the aggregate acquisition value of the Champion Equities held by the Senior Executive, being the acquisition cost of all Shares held by the Senior Executive and the sum of the "market price" at the time of grant of each PSUs and RSUs held by the Senior Executive, and (ii) the aggregate market value of the Champion Equities held by the Senior Executive, calculated based on the closing market price of the Company's Shares on the TSX of $5.10 on March 31, 2026.

(2) Represents the PSUs that are taken into account for purposes of the Securities Ownership Policy (being 65% of the PSUs held at the relevant time).

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**viii. Agreements with Named Executive Officers (NEOs)**

The Company has written employment agreements with its NEOs. These contracts, which are governed by the laws of the Province of Québec, provide for the payment and provision of other benefits triggered by a termination without cause. Employment laws applicable in the Province of Québec require the Company to provide employees, in the case of termination other than for cause, reasonable notice or pay in lieu thereof, and such reasonable notice period which, in the case of the NEOs, would reasonably be expected to exceed 12 months in each case. The cash amount in lieu of reasonable notice provided for in the employment agreements entered into between the Company and each of the NEOs are generally aligned with the severance benefits that an executive working in similar circumstances would have been entitled to pursuant to applicable Province of Québec case law had such executive been terminated without cause without the benefit of a written employment agreement. The Board believes that providing such severance entitlements is necessary in order to provide NEOs with entitlements that are reflective of generally accepted market practices of the region in which the Company operates and that would not reasonably be expected to be below the minimum applicable notice period required under employment laws applicable in the Province of Québec in light of the applicable case law. In addition, the employment agreement of each NEO provides for the acceleration of vesting (as if vesting occurred at 100%) of incentive awards in the event a change of control occurs during the term of their employment, as described in the section "*Executive Employment Agreements – Change of Control*" on page 101 of this report.

David Cataford — CEO

Mr. Cataford was appointed CEO of the Company on April 1, 2019. Mr. Cataford had been Champion's COO since March 20, 2017. Mr. Cataford and Champion entered into an employment agreement under which Mr. Cataford is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Cataford's employment agreement includes termination remuneration and benefit scenarios. Under the terms of Mr. Cataford's employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Cataford a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 24 months of Mr. Cataford's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Cataford in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 24, (iii) an indemnity for loss of pension plan contributions of Mr. Cataford's then current annual base salary divided by 12 and multiplied by 24, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on a 24-month period. In addition, the Company will be required to maintain Mr. Cataford's participation in the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 24 months, and all unvested stock options, RSUs or PSUs held by Mr. Cataford that would have otherwise vested during the 24 months following termination had Mr. Cataford remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. Stock options, RSUs and PSUs held by Mr. Cataford that did not otherwise become vested, exercisable and payable in accordance with such provisions will vest and become exercisable and payable up to an amount equivalent to Mr. Cataford's 12-month base salary as calculated in accordance with the Corporations Act. If Mr. Cataford resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Cataford's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Cataford been terminated without cause.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**viii. Agreements with Named Executive Officers (NEOs)** (continued)

Alexandre Belleau — COO

Mr. Belleau was appointed COO of the Company on July 22, 2020. Mr. Belleau and Champion entered into an employment agreement under which Mr. Belleau is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Belleau's employment agreement includes termination remuneration and benefit scenarios. Under the terms of the employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Belleau a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 18 months of Mr. Belleau's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Belleau in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 18, (iii) an indemnity for loss of pension plan contributions of Mr. Belleau's then current annual base salary divided by 12 and multiplied by 18, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on an 18-month period. In addition, the Company will be required to maintain Mr. Belleau's participation in the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 18 months, and all unvested stock options, RSUs or PSUs held by Mr. Belleau that would have otherwise vested during the 18 months following termination had Mr. Belleau remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. Stock options, RSUs and PSUs held by Mr. Belleau that did not otherwise become vested, exercisable and payable in accordance with such provisions will vest and become exercisable and payable up to an amount equivalent to Mr. Belleau's 12-month base salary as calculated in accordance with the Corporations Act. If Mr. Belleau resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Belleau's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Belleau been terminated without cause.

Steve Boucratie — Senior Vice-President, General Counsel and Corporate Secretary

Mr. Boucratie was appointed Vice-President, General Counsel and Corporate Secretary of the Company on May 20, 2019. On September 9, 2021, Mr. Boucratie was promoted to Senior Vice-President, General Counsel and Corporate Secretary. Mr. Boucratie and Champion entered into an employment agreement under which Mr. Boucratie is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Boucratie's employment agreement includes termination remuneration and benefit scenarios. Under the terms of the employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death. The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Boucratie a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 18 months of Mr. Boucratie's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Boucratie in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 18, (iii) an indemnity for loss of pension plan contributions of Mr. Boucratie's then current annual base salary divided by 12 and multiplied by 18, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on an 18-month period. In addition, the Company will be required to maintain Mr. Boucratie's participation in the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 18 months, and all unvested stock options, RSUs or PSUs held by Mr. Boucratie that would have otherwise vested during the 18 months following termination had Mr. Boucratie remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. Stock options, RSUs and PSUs held by Mr. Boucratie that did not otherwise become vested, exercisable and payable in accordance with such provisions will vest and become exercisable and payable up to an amount equivalent to Mr. Boucratie's 12-month base salary as calculated in accordance with the Corporations Act. If Mr. Boucratie resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Boucratie's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Boucratie been terminated without cause.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**viii. Agreements with Named Executive Officers (NEOs)** (continued)

Michael Marcotte — Senior Vice-President, Corporate Development and Capital Markets

Mr. Marcotte was appointed Vice-President, Investor Relations of the Company on January 10, 2019. On September 9, 2021, Mr. Marcotte was promoted to Senior Vice-President, Corporate Development and Capital Markets. Mr. Marcotte and Champion entered into an employment agreement under which Mr. Marcotte is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Marcotte's employment agreement includes termination remuneration and benefit scenarios. Under the terms of the employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Marcotte a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 18 months of Mr. Marcotte's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Marcotte in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 18, (iii) an indemnity for loss of pension plan contributions of Mr. Marcotte's then current annual base salary divided by 12 and multiplied by 18, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on an 18-month period. In addition, the Company will be required to maintain Mr. Marcotte's participation in the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 18 months, and all unvested stock options, RSUs or PSUs held by Mr. Marcotte that would have otherwise vested during the 18 months following termination had Mr. Marcotte remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. Stock options, RSUs and PSUs held by Mr. Marcotte that did not otherwise become vested, exercisable and payable in accordance with such provisions will vest and become exercisable and payable up to an amount equivalent to Mr. Marcotte's 12-month base salary as calculated in accordance with the Corporations Act. If Mr. Marcotte resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Marcotte's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Marcotte been terminated without cause.

Change of Control

The employment agreements entered into between the Company and each of the NEOs further provides that in the event a change of control (as such term is defined in the agreement) occurs during their respective term of employment (that does not involve a transfer of the whole or any part of the undertaking or property of the Company), all of their respective unvested stock options, RSUs and PSUs will immediately vest (as if vesting occurred at 100%) and become exercisable.

Non-Competition, Non-Solicitation and Confidentiality Restrictions

NEOs gain strategic business knowledge during their employment. Champion ensures that this information is not used to the detriment of the Company by any executive following termination. To protect the Company's interests, the employment agreements entered into between Champion and its NEOs include customary non-competition and non-solicitation covenants applicable during the term of the agreements and for a period of twelve months following the end of employment, together with customary confidentiality clauses.

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## H. 2026 Executive Performance Metrics and Incentives (continued)

**viii. Agreements with Named Executive Officers (NEOs)** (continued)

Departure Arrangements

The following table sets forth the estimated incremental value that would become payable to each NEO (other than Donald Tremblay whose employment with the Company terminated on October 20, 2025) in the event of employment termination by the Company without cause (including following a change of control) or in the event of a change of control of the Company, in each case as if the triggering event (change of control or termination without cause) had occurred on March 31, 2026.

| Name and Principal Position | Termination Without Cause[1] ($) | Termination Without Cause Following Change of Control[2] ($) | Change of Control[3] ($) |
|---|---|---|---|
| **David Cataford**<br>CEO | 12,930,870 | 14,916,865 | 9,159,273 |
| **Alexandre Belleau**<br>COO | 5,263,414 | 5,841,571 | 3,666,190 |
| **Steve Boucratie**<br>Senior Vice-President, General Counsel and Corporate Secretary | 4,129,135 | 4,476,769 | 2,659,245 |
| **Michael Marcotte**<br>Senior Vice-President, Corporate Development and Capital Markets | 3,734,790 | 4,000,727 | 2,349,232 |

Notes:

(1) Amounts represent the value of the severance entitlements described under *"Agreements with Named Executive Officers (NEOs)"* above, and include the incremental value of the unvested stock options, RSUs or PSUs held by the NEO that would have otherwise vested during the severance period had the NEO remained employed that will immediately vest (as if vesting occurred at 100%) and become exercisable upon termination without cause (based on the TSX market closing price of the Shares on March 31, 2026 of $5.10). Amounts do not include the value of vested in-the-money options and vested and undelivered RSUs.

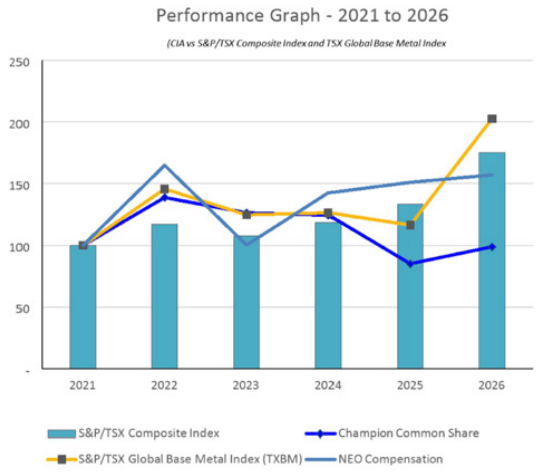
(2) Amounts represent the aggregate of (i) the incremental value of unvested stock options, RSUs and PSUs which will immediately vest (as if vesting occurred at 100%) and become exercisable upon a change of control of the Company (based on the TSX market closing price of the Shares on March 31, 2026 of $5.10), and (ii) the value of the severance entitlements described under *"Agreements with Named Executive Officers (NEOs)"* above (without duplication with respect to unvested stock options, RSU and PSUs which would have immediately vested and become exercisable upon the change of control). Amounts do not include the value of vested in-the-money options and vested and undelivered RSUs.

(3) Amounts represent the incremental value of unvested stock options, RSUs and PSUs which will immediately vest (as if vesting occurred at 100%) and become exercisable upon a change of control of the Company (based on the TSX market closing price of the Shares on March 31, 2026 of $5.10).

## I. Performance

### i. Performance Graph

The following graph and table is a reporting requirement under Canadian securities laws, and compares the Company's five-year cumulative total Shareholder return had $100 been invested in the Company on the first day of the five-year period at the closing price of the Shares on that date (April 1, 2021), with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Global Mining Index over the five most recently completed financial years ended on March 31.






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## I. Performance (continued)

**ii. Performance Metrics**

From April 1, 2021 to March 31, 2026, the share price of the Company decreased by 1% compared to an increase of 75% and 103% in the S&P/TSX Composite and in the S&P/TSX Global base Metal Index, respectively, during the corresponding five-year period. During the same period, the aggregate remuneration of all individuals acting as NEOs increased by 57%, from a base of $9,844,143 in 2021 to $15,459,829 in 2026.

There is no direct correlation between the NEOs' reported compensation for the last five financial years and the evolution of the price of the Shares over the same period. The Company operates in a commodity business and the Share price is significantly affected by external factors outside of the Company's control and independent of its operational performance, such as iron ore prices, freight rates and shipping conditions, rail, port logistics and other third-party transportation disruptions, and prevailing national and international economic conditions. The Board evaluates performance by reference to the Company's strategy and business plan rather than short-term movements in the Share price, and considers that the increase in NEO compensation over the period was reasonable and justified by the need to attract, retain and motivate talented executives and to recognize the delivery and progression of significant projects in recent years, including:

- management's advancement of the Bloom Lake Mine through several stages, including acquisition, evaluation, financing, restart of operation and production ramp-up of the Phase I project, the planning and construction of the Phase II expansion throughout volatile macroeconomic environments and within budgeted constraints;
- the operational and financial performance generated by the Bloom Lake Mine since it went into production in 2018, including the delivery of annual record production, sales and material mined and hauled during the financial year ended March 31, 2026;
- the acquisition of several properties in the Labrador Trough, including the Kami Project and the Lac Lamêlee project, and agreements entered into with respect to the acquisition of the Pointe-Noire Pellet Plant;
- the formation of the Kami Iron Mine Partnership with Nippon Steel and Sojitz pursuant to a framework agreement entered into on July 21, 2025, and the completion of the initial closing on September 29, 2025, with the Partners acquiring 49% interest in the Kami Partnership, while Champion retained operatorship and a 51% interest;
- the Company's vision to align with the steel industry's green steel transition and innovation, leading to the ongoing conversion of half of Bloom Lake's nameplate capacity to an industry-leading DR pellet feed iron ore at up to 69% Fe expected to result in significant emission reductions across the steelmaking supply chain;
- the completion of the acquisition of Rana Gruber, a leading Norwegian producer of high-purity iron ore, diversifying the Company's asset base, product portfolio and geographical footprint;
- diligent management of the Company's financial position while deploying growth projects; and
- sustainable management, including the filing in recent years of sustainability reports which incorporates industry best practice disclosure frameworks, as well as the fact that there have been no significant environmental issues since the recommissioning of Bloom Lake in 2018.

Although Share price fluctuations are not considered in determining the compensation of the NEOs as reported in the Summary Remuneration Table (which reflects grant date fair values and other components determined independently of subsequent market performance), such fluctuations in the price of the Shares directly affect the value that may ultimately be realized by NEOs under LTI awards, including PSUs and RSUs granted under the Omnibus Plan. The majority of NEO remuneration remains subject to KPIs ("at risk"), as STI (bonus) and LTI payout are tied directly or indirectly to Company performance and relative and/or absolute Shareholder returns. As a consequence, actual NEO remuneration will increase with the outperformance of the Share price compared to industry peers, but conversely decrease in the face of an underperforming share price. The Board believes this is the ultimate test of the "pay-for-performance" principle and true alignment of NEO remuneration with Shareholder returns.

For example, Mr. Cataford's total direct compensation reported for the year ended March 31, 2023 (based on base salary paid, annual short-term incentive paid, and RSUs and PSUs at grant value) amounted to $4,296,000 in the summary remuneration table (non-statutory) of the Company's remuneration report for the year ended March 31, 2023. During the financial year ended March 31, 2026, the PSUs reported for the year ended March 31, 2023 vested as disclosed under "*Corporate Performance Measures, Results and Related Payout during the Financial Year Ended March 31, 2026*" on page 94 of this report and paid out at 70.2% which, when calculated on the basis of the share price at the time of settlement, yielded an actual payout for PSUs and RSUs reported in the remuneration report for the year ended March 31, 2023 of $1,027,693 (compared to an initial grant date fair value of $2,025,000 as reported in the summary remuneration table of the remuneration report for the year ended March 31, 2023). This means that the realized pay for Mr. Cataford in respect of the total direct compensation for such year was 23.2% lower than what was initially disclosed.

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## J. Director Remuneration

**i. Remuneration Philosophy and Approach**

The remuneration arrangements for non-executive directors are intended to attract highly qualified individuals with the capability to meet the challenging oversight responsibilities of a mining company and to closely align the interests of non-executive directors with Shareholder interests. Since the introduction of the Omnibus Plan, non-executive directors may receive equity-based remuneration in the form of DSU grants in lieu of the whole or part of their annual compensation. See "*Remuneration Arrangements for Non-Executive Directors*" below for details on the Omnibus Plan.

The Remuneration, People and Governance Committee reviews director compensation periodically and makes remuneration recommendations to the Board for its consideration and approval. Recommendations take into consideration the directors' skills, time commitment, duties and responsibilities, and director remuneration practices and levels at comparable companies.

**ii. Remuneration Arrangements for Non-Executive Directors**

In conjunction with the review of executive compensation conducted for the financial year ended March 31, 2024, the Remuneration, People and Governance Committee of the Board engaged Meridian to provide an independent, third-party analysis of the Company's director compensation levels and practices.

Based on the findings and recommendations of the analysis from Meridian, the Board determined to keep the same Non-Executive Directors remuneration framework as in the prior year. Such framework has been the same since April 2024 and is comprised of the following:

- annual cash retainer of $250,000 for non-executive directors;
- cash retainer of $60,000 for lead director;
- cash retainer of $40,000 for each of the Chair of Audit Committee, the Chair of Remuneration, People and Governance Committee and the Chair of Sustainability and Indigenous Affairs Committee;
- no retainer for Committee members;
- no additional fees are paid for attendance at Board or committee meetings; and
- directors have all reasonable expenses covered when travelling on Company business.

In addition to the changes to the Non-Executive Directors remuneration outlined above, the Board approved an amendment to the Securities Ownership Policy to introduce a new requirement which would require non-executive directors to take at least one third of their remuneration in DSUs once they have satisfied the base share ownership threshold. See section "*Non-Executive Directors — Securities Ownership Policy*" on pages 105-106 of this report.

At the 2021 annual meeting of Shareholders of the Company, Shareholders approved, for the purpose of ASX Listing Rule 10.17, Clause 10.2 of the Company's constitution and for all other purposes, that the total aggregate amount available for the remuneration of non-executive directors be increased by $750,000 from $1.0 million per year to $1.75 million per year. The total aggregate amount available per year has not been increased since, and the total aggregate amount of non-executive directors' fees payable to all non-executive directors has not exceeded the total aggregate amount available in any year. See the table in the section "*Fees Paid*" on page 107 of this report.

Directors may elect to receive all or a portion of any of their annual fees in DSUs granted under the Omnibus Plan. The purpose of the DSU portion of the Omnibus Plan is to promote the alignment of interests between directors and Shareholders and it is an important component of non-executive director remuneration because it:

- provides a remuneration system for directors that is reflective of the responsibility, commitment and risk accompanying Board membership;
- assists the Company to attract and retain individuals with experience and ability to serve as members of the Board; and
- allows the directors to participate in the long-term success of the Company.

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## J. Director Remuneration (continued)

**ii. Remuneration Arrangements for Non-Executive Directors** (continued)

With respect to directors having the ability to elect to receive all or a portion of any of their annual fees in DSUs, the Securities Ownership Policy provides that, where the value of the Champion Equity held by a non-executive director is below the applicable requirement, such non-executive director will be required to receive 50% of his or her annual cash retainer in the form of DSUs until he or she meets the applicable requirement. Once the applicable requirement is met, non-executive directors are required to receive at least one third of his or her annual cash retainer in the form of DSUs. See "*Non-Executive Directors — Securities Ownership Policy*" on pages 105-106 of this report. DSUs are priced based on the five-day VWAP of the Shares over the last five trading days preceding the grant. DSUs issued under the Omnibus Plan may be settled in cash or in Shares acquired on ASX or TSX at the time of the directors' retirement from all positions with the Company.

Mr. O'Keeffe and Mr. Cataford held management positions in the financial year ended March 31, 2026, and consequently did not receive compensation for their service as directors. In addition, Mr. Jyothish George has elected not to receive compensation and, as such, is not considered a Compensated Director (as defined herein).

**iii. Non-Executive Directors — Securities Ownership Policy**

The Securities Ownership Policy, which was implemented in January 2024 and replaced the prior share and share-based ownership requirements that applied to non-executive directors, sets out the securities ownership requirements for the non-executive directors of Champion who are compensated in their capacity as a director of Champion (collectively the "Compensated Directors"). The Securities Ownership Policy, which also applies to Senior Executives, is designed to align the interests of those subject to the policy with the long-term interests of Shareholders.

Pursuant to the Securities Ownership Policy, each Compensated Director is required to hold Champion Equity having an aggregate value of at least three times the gross amount of his or her annual board cash retainer. The required level of ownership of Champion Equity held by non-executive directors is referred to as the "Relevant Threshold". Ownership requirements must be achieved by January 30, 2029, or within five years of the date of appointment or election as a non-executive director, whichever occurs later. If a non-executive director's annual cash retainer increases, the non-executive director shall meet the required level of ownership of the Securities Ownership Policy taking into account such increased cash retainer within five years of the increase occurring. As Mr. Jyothish George has elected not to receive compensation, he is not considered a Compensated Director and the Securities Ownership Policy did not require Mr. George to hold securities under the Securities Ownership Policy.

Once the value of the Champion Equity held by a Compensated Director exceeds the Relevant Threshold, calculated as the greater of either the aggregate acquisition value for the Champion Equity held by the Compensated Director or the fair market value (as of the relevant date) of the Champion Equity held by the Compensated Director, such individual is deemed to meet the applicable ownership guideline. A Compensated Director who has achieved the necessary ownership level will be deemed to meet the applicable ownership guideline on an ongoing basis as long as such Compensated Director does not dispose of Shares which would cause such individual to fail to meet the Relevant Threshold immediately following such disposition based on the Champion Equity then held or deemed to be held by such individual. Once a Compensated Director achieves the Relevant Threshold, he or she is required to take at least one third of its remuneration in DSUs.

As of the date of this Remuneration Report, all Compensated Directors have met the minimum share ownership requirements, other than Ms. Jessica McDonald and Mr. Ronnie Beevor who joined the Board in August 2023 and March 2024, respectively, and are in transition towards satisfying their minimum ownership requirements.

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## J. Director Remuneration (continued)

**iii. Non-Executive Directors — Securities Ownership Policy** (continued)

The table below sets out, for each non-executive director, his or her security ownership requirements, whether he or she satisfied such requirements and his or her ownership of Champion Equity for purposes of the Securities Ownership Policy, in each case as of the end of the financial year ended March 31, 2026:

| Name | Total Number of Securities Owned | Total Value of Champion Equity[1] | Value Required to meet Guidelines | Latest Date to Comply | Satisfies Requirements |
|---|---|---|---|---|---|
| Michael O'Keeffe[2] | 41,623,830 Shares | $212,281,533 | 3x Base Salary | January 30, 2029 | Yes |
| Gary Lawler | 1,369,725 Shares<br>192,849 DSUs | $7,969,127 | 3x Cash Retainer | January 30, 2029 | Yes |
| Jyothish George[3] | — | — | — | — | — |
| Michelle Cormier | 456,500 Shares<br>159,676 DSUs | $3,142,501 | 3x Cash Retainer | January 30, 2029 | Yes |
| Louise Grondin | 147,760 DSUs | $779,931 | 3x Cash Retainer | January 30, 2029 | Yes |
| Jessica McDonald | 76,831 DSUs | $414,931 | 3x Cash Retainer | January 30, 2029 | No |
| Ronnie Beevor | 60,000 Shares<br>86,189 DSUs | $745,565 | 3x Cash Retainer | March 3, 2029 | No |

Notes:

(1) Calculated as the greater of (i) the aggregate acquisition value of the Champion Equities held by the non-executive director, being the acquisition cost of all Shares held by the non-executive director and the sum of the "market price" at the time of grant of each DSU held by the non-executive director, and (ii) the aggregate market value of the Champion Equities held by the non-executive director, calculated based on the closing market price of the Shares on the TSX of $5.10 on March 31, 2026.

(2) As Executive Chairman of the Company, Mr. O'Keeffe is required to comply with the Securities Ownership Requirements in such capacity such that requirements applicable to non-executive directors do not apply to Mr. O'Keeffe.

(3) As Mr. George has elected not to receive compensation, he is not considered a Compensated Director and the Securities Ownership Policy did not require Mr. George to hold securities under the Securities Ownership Policy.

Director Remuneration Table — Non-Statutory

The following table discloses all compensation provided to directors, other than any director who is a NEO of the Company, for the Company's most recently completed financial year ended March 31, 2026. Amounts presented under the column entitled "*Fees Earned in DSUs*" reflect the full fair values of the awards as measured at their respective grant dates. Accordingly, the amounts presented thereunder are not reflective of the related accounting expense for the period. Refer to "*Details of Total Statutory Remuneration for KMP (NEOs and Directors)*" on pages 109-110 of this report for the statutory remuneration table as calculated with reference to the Corporations Act. Fees to Canadian resident directors are paid on a bi-weekly basis and fees to Australian resident directors are paid on a monthly basis. All DSUs were fully vested on March 31, 2026.

| Name | Fees Earned in Cash ($) | Fees Earned in DSU ($) | Other Share-Based Awards ($) | Option-Based Awards ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|---|
| Michael O'Keeffe[1] | — | — | — | — | — | **—** |
| Gary Lawler | 175,000 | 175,000 | — | — | — | **350,000** |
| Jyothish George | — | — | — | — | — | **—** |
| Michelle Cormier[2] | 140,000 | 150,000 | — | — | — | **290,000** |
| Louise Grondin | 165,000 | 125,000 | — | — | — | **290,000** |
| Jessica McDonald | 108,650 | 141,350 | — | — | — | **250,000** |
| Ronnie Beevor | 70,000 | 180,000 | — | — | — | **250,000** |

Notes:

(1) Mr. O'Keeffe was not compensated in the financial year ended March 31, 2026, for acting as a director by virtue of his employment with the Company. See the section "*Remuneration of Executive Chairman*" on page 81 of this report.

(2) Ms. Cormier was appointed to the Board in 2016 as a nominee of Wynnchurch pursuant to certain board nomination rights granted by the Company in favour of Wynnchurch in connection with a private placement of Shares completed on April 11, 2016. Following the disposition of Shares by Wynnchurch that was publicly announced by Wynnchurch on August 2, 2021, Wynnchurch is no longer entitled to nominate a candidate for election or appointment to the Board such that Ms. Cormier is no longer considered to be a director nominee of Wynnchurch.

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## J. Director Remuneration (continued)

**iii. Non-Executive Directors — Securities Ownership Policy** (continued)

Fees Paid

The following table discloses a detailed breakdown of the fees paid to directors, other than any director who is a NEO of the Company, for the Company's most recently completed financial year (ended March 31, 2026). Fees to Canadian resident directors are paid on a bi-weekly basis and fees to Australian resident directors are paid on a monthly basis. All DSUs were fully vested on March 31, 2026.

| Name | Board Retainer Fee ($) | Committee Retainers ($) | Meeting Fees ($) | Total ($) | Fees Paid in Cash[1] ($) | Fees Earned in DSUs[2] ($) | Total Fees ($) |
|---|---|---|---|---|---|---|---|
| Michael O'Keeffe[3] | — | — | — | **—** | — | — | **—** |
| Gary Lawler | 250,000 | 100,000 [4] | — | **350,000** | 175,000 | 175,000 | **350,000** |
| Jyothish George | — | — | — | **—** | — | — | **—** |
| Michelle Cormier | 250,000 | 40,000 | — | **290,000** | 140,000 | 150,000 | **290,000** |
| Louise Grondin | 250,000 | 40,000 | — | **290,000** | 165,000 | 125,000 | **290,000** |
| Jessica McDonald | 250,000 | — | — | **250,000** | 108,650 | 141,350 | **250,000** |
| Ronnie Beevor | 250,000 | — | — | **250,000** | 70,000 | 180,000 | **250,000** |

Notes:

(1) Portion of total fees paid to the non-executive directors in cash.

(2) Portion of the total fees paid to the non-executive directors in DSUs.

(3) Mr. O'Keeffe was not compensated in the financial year ended March 31, 2026, for acting as a director by virtue of his employment with the Company. See the section *"Remuneration of Executive Chairman"* on page 81 of this report.

(4) Represents the total retainers in the roles of chair of the Remuneration, People and Governance Committee and Lead Director.

**iv. Tabular Remuneration Disclosure for the Directors**

Outstanding Share-Based Awards and Option-Based Awards

As at March 31, 2026, the end of the Company's most recently completed financial year, outstanding option-and share-based awards for all directors, other than any director who is a NEO of the Company, are set out in the following table:

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|---|---|---|---|---|---|---|---|
| | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price ($) | Option Expiration Date (M/D/Y) | Value of Unexercised In-the-Money Options ($) | Number of Shares or Units of Shares that Have not Vested (#) | Market or Payout Value of Share-Based Awards that Have not Vested ($) | Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($) |
| Michael O'Keeffe | — | — | — | — | — | — | — |
| Gary Lawler | — | — | — | — | — | — | 983,530 |
| Jyothish George | — | — | — | — | — | — | — |
| Michelle Cormier | — | — | — | — | — | — | 814,351 |
| Louise Grondin | — | — | — | — | — | — | 753,578 |
| Jessica McDonald | — | — | — | — | — | — | 391,837 |
| Ronnie Beevor | — | — | — | — | — | — | 439,565 |

Note:

Calculated based on the TSX market closing price of the Shares on March 31, 2026 of $5.10.

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## J. Director Remuneration (continued)

**iv. Tabular Remuneration Disclosure for the Directors** (continued)

Incentive Plan Awards — Value Vested or Earned During the Year

The following table discloses incentive plan awards to directors, other than any director who is a NEO of the Company, for the financial year ended March 31, 2026. Except for Mr. O'Keeffe, all of the share-based awards vested during the year which are referred to in the following table represent DSUs which directors elected to receive in lieu of annual fees paid in cash.

| Name | Option-Based Awards Value Vested During the Year ($) | Share-Based Awards Value Vested During the Year [1] ($) | Non-Equity Incentive Plan Compensation Value Earned During the Year ($) |
|---|---|---|---|
| Michael O'Keeffe | — | — | — |
| Gary Lawler | — | 219,208 | — |
| Jyothish George | — | — | — |
| Michelle Cormier | — | 153,282 | — |
| Louise Grondin | — | 151,310 | — |
| Jessica McDonald | — | 150,814 | — |
| Ronnie Beevor | — | 199,930 | — |

Note:

(1) With respect to Mr. Lawler, Ms. Cormier, Ms. Grondin, Ms. McDonald and Mr. Beevor, share-based awards value vested during the year also includes DSUs related to the 2027 financial year issued in March 2026 in the amount of $94,707, $50,898, $63,623, $71,946 and $97,415, respectively, and, where applicable, includes DSUs issued as dividend equivalents, calculated in each case based on the TSX market closing price of the Shares on March 31, 2026 of $5.10.

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## K. Details of Total Statutory Remuneration for KMP (NEOs and Directors)

The following table discloses statutory remuneration for KMPs as calculated with reference to the Corporations Act, Australian Accounting Standards and International Financial Reporting Standards, and reflects for share-based and option-based awards, the related accounting expense for the current financial year. Accordingly, amounts disclosed in this section are different than amounts disclosed under the heading "*Tabular Remuneration Disclosure for the Named Executive Officers — Summary Remuneration Table — Non-Statutory*" on pages 95-97 of this report, which are disclosed in accordance with Canadian securities laws (which require, among other things, to include the full fair values of share-based and option-based awards as measured at their respective grant dates).

| Financial Year Ended March 31, 2026 | Short-Term ($) | | | | Termination Payments ($) | Pension ($) | Options and Share-Based Awards[1] ($) | DSUs[2] ($) | Total ($) | Performance Related | Consisting of Options |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary | Consulting Fees | Bonus | Non-Monetary | | | | | | | |
| Michael O'Keeffe | 800,000 | — | — | — | — | — | — | — | 800,000 | — % | — % |
| Gary Lawler | 175,000 | — | — | — | — | — | — | 325,614 | 500,614 | — % | — % |
| Michelle Cormier[3] | 140,000 | — | — | — | — | — | — | 245,313 | 385,313 | — % | — % |
| Jyothish George | — | — | — | — | — | — | — | — | — | — % | — % |
| Louise Grondin | 165,000 | — | — | — | — | — | — | 235,155 | 400,155 | — % | — % |
| Jessica McDonald | 108,650 | — | — | — | — | — | — | 184,368 | 293,018 | — % | — % |
| Ronnie Beevor | 70,000 | — | — | — | — | — | — | 233,291 | 303,291 | — % | — % |
| David Cataford | 1,160,320 | — | 1,572,234 | 72,987 | | 293,461 | 3,325,191 | — | 6,424,193 | 24.47 % | 51.76 % |
| Alexandre Belleau | 683,760 | — | 667,076 | 73,199 | — | 148,138 | 1,338,032 | — | 2,910,205 | 22.92 % | 45.98 % |
| Steve Boucratie | 580,000 | — | 565,848 | 75,379 | — | 126,614 | 967,199 | — | 2,315,040 | 24.44 % | 41.78 % |
| Michael Marcotte | 543,900 | — | 471,670 | 72,557 | — | 112,935 | 855,652 | — | 2,056,714 | 22.93 % | 41.60 % |
| Donald Tremblay[4] | 315,581 | — | 284,587 | 40,857 | 845,654 | 37,461 | (677,721) | — | 846,419 | 33.62 % | (80.07)% |
| **Total** | **4,742,211** | **—** | **3,561,415** | **334,979** | **845,654** | **718,609** | **5,808,353** | **1,223,741** | **17,234,962** | **—** | **—** |

Notes:

(1) Represents PSUs and RSUs granted under the Omnibus Plan. No stock options were granted to KMPs during the financial year ended March 31, 2026.

(2) Represents DSUs which directors elected to receive in lieu of annual fees paid in cash.

(3) Ms. Cormier was appointed to the Board in 2016 as a nominee of Wynnchurch pursuant to certain board nomination rights granted by the Company in favour of Wynnchurch in connection with a private placement of Shares completed on April 11, 2016. Following the disposition of Shares by Wynnchurch that was publicly announced by Wynnchurch on August 2, 2021, Wynnchurch is no longer entitled to nominate a candidate for election or appointment to the Board such that Ms. Cormier is no longer considered to be a director nominee of Wynnchurch.

(4) Mr. Tremblay's employment with the Company ended on October 20, 2025.

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## K. Details of Total Statutory Remuneration for KMP (NEOs and Directors) (continued)

| Financial Year Ended March 31, 2025 | Short-Term ($) | | | | Termination Payments ($) | Pension ($) | Options and Share-Based Awards[1] ($) | DSUs[2] ($) | Total ($) | Performance Related | Consisting of Options |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary | Consulting Fees | Bonus | Non-Monetary | | | | | | | |
| Michael O'Keeffe | 800,000 | — | — | — | — | — | — | — | 800,000 | — % | — % |
| Gary Lawler | 187,500 | — | — | — | — | — | — | (59,557) | 127,943 | — % | — % |
| Michelle Cormier[3] | 210,000 | — | — | — | — | — | — | (84,616) | 125,384 | — % | — % |
| Jyothish George | — | — | — | — | — | — | — | — | — | — % | — % |
| Louise Grondin | 177,500 | — | — | — | — | — | — | (67,606) | 109,894 | — % | — % |
| Jessica McDonald | 125,325 | — | — | — | — | — | — | 80,044 | 205,369 | — % | — % |
| Ronnie Beevor | 85,000 | — | — | — | — | — | — | 132,662 | 217,662 | — % | — % |
| David Cataford | 1,160,320 | — | 1,390,294 | 69,049 | — | 274,524 | 1,707,824 | — | 4,602,011 | 30.21 % | 37.11 % |
| Donald Tremblay[4] | 569,800 | — | 491,568 | 73,035 | — | 118,064 | 322,682 | — | 1,575,149 | 31.21 % | 20.49 % |
| Alexandre Belleau | 683,760 | — | 589,882 | 72,953 | — | 140,416 | 681,064 | — | 2,168,075 | 27.21 % | 31.41 % |
| Steve Boucratie | 580,000 | — | 500,368 | 75,634 | — | 120,596 | 513,517 | — | 1,790,115 | 27.95 % | 28.69 % |
| Michael Marcotte | 543,900 | — | 417,088 | 72,953 | — | 107,509 | 401,281 | — | 1,542,731 | 27.04 % | 26.01 % |
| **Total** | **5,123,105** | **—** | **3,389,200** | **363,624** | **—** | **761,109** | **3,626,368** | **927** | **13,264,333** | | |

Notes:

(1) Represents PSUs and RSUs granted under the Omnibus Plan. No stock options were granted to KMPs during the financial year ended March 31, 2025.

(2) Represents DSUs which directors elected to receive in lieu of annual fees paid in cash.

(3) Ms. Cormier was appointed to the Board in 2016 as a nominee of Wynnchurch pursuant to certain board nomination rights granted by the Company in favour of Wynnchurch in connection with a private placement of Shares completed on April 11, 2016. Following the disposition of Shares by Wynnchurch that was publicly announced by Wynnchurch on August 2, 2021, Wynnchurch is no longer entitled to nominate a candidate for election or appointment to the Board such that Ms. Cormier is no longer considered to be a director nominee of Wynnchurch.

(4) Mr. Tremblay's employment with the Company ended on October 20, 2025.

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## L. Movement of Equity Held by Key Management Personnel (Named Executive Officers and Directors)

**i. Stock Options as at March 31, 2026**

| Name | Balance April 1, 2025 | Grant | Exercised | Cancelled | Held and Vested March 31, 2026 | Unvested March 31, 2026 |
|---|---|---|---|---|---|---|
| Michael O'Keeffe | — | — | — | — | — | — |
| Gary Lawler | — | — | — | — | — | — |
| Michelle Cormier | — | — | — | — | — | — |
| Jyothish George | — | — | — | — | — | — |
| Louise Grondin | — | — | — | — | — | — |
| Jessica McDonald | — | — | — | — | — | — |
| Ronnie Beevor | — | — | — | — | — | — |
| David Cataford | — | — | — | — | — | — |
| Donald Tremblay[1] | — | — | — | — | — | — |
| Alexandre Belleau | — | — | — | — | — | — |
| Steve Boucratie | — | — | — | — | — | — |
| Michael Marcotte | — | — | — | — | — | — |

Note:

(1) Mr. Tremblay's employment with the Company ended on October 20, 2025.

**ii. Shares as at March 31, 2026**

| Name | Balance April 1, 2025 | Purchased | Acquired Upon Exercise of Equity Award | Sold | Balance March 31, 2026 | Value of Shares Issued During the Year[1] |
|---|---|---|---|---|---|---|
| Michael O'Keeffe | 41,623,830 | — | — | — | 41,623,830 | — |
| Gary Lawler | 1,719,725 | — | — | 350,000 | 1,369,725 | — |
| Michelle Cormier | 456,500 | — | — | — | 456,500 | — |
| Jyothish George | — | — | — | — | — | — |
| Louise Grondin | — | — | — | — | — | — |
| Jessica McDonald | — | — | — | — | — | — |
| Ronnie Beevor | 60,000 | — | — | — | 60,000 | — |
| David Cataford | 2,500,284 | — | — | — | 2,500,284 | — |
| Donald Tremblay[2] | 38,000 | — | — | — | — | — |
| Alexandre Belleau | 311,197 | — | — | — | 311,197 | — |
| Steve Boucratie | 158,997 | — | — | — | 158,997 | — |
| Michael Marcotte | 249,517 | — | — | — | 249,517 | — |

Notes:

(1) Represents value of Shares issued during the year upon exercise of option-based awards and settlement of share based-awards, calculated as at the applicable exercise date(s) based on the TSX market closing price of the Shares on the exercise date(s) multiplied by the number of options or rights exercised.

(2) Mr. Tremblay's employment with the Company ended on October 20, 2025.

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## M. Outstanding Grants of PSUs and Related Performance Periods

| Name | Grant Date | Performance Period | Number of PSUs Granted | Value per PSU Granted at Grant Date ($) | Value of PSUs Granted at Grant Date ($) | Number of Additional PSUs Granted as Dividend Equivalent[1] | % of Performance Achieved, and Vested vs Forfeited PSUs |
|---|---|---|---|---|---|---|---|
| **David Cataford** CEO | August 9, 2023 | April 1, 2023 to March 31, 2026 | 351,937 | 5.06 | 1,780,801 | 34,726 | Will be determined in Financial Year 2027 |
| | June 11, 2024 | April 1, 2024 to March 31, 2027 | 310,591 | 5.94 | 1,844,909 | 25,650 | Will be determined in Financial Year 2028 |
| | June 9, 2025 | April 1, 2025 to March 31, 2028 | 480,445 | 3.84 | 1,844,909 | 22,155 | Will be determined in Financial Year 2029 |
| **Alexandre Belleau** Chief Operating Officer | August 9, 2023 | April 1, 2023 to March 31, 2026 | 140,870 | 5.06 | 712,802 | 13,900 | Will be determined in Financial Year 2027 |
| | June 11, 2024 | April 1, 2024 to March 31, 2027 | 124,320 | 5.94 | 738,461 | 10,267 | Will be determined in Financial Year 2028 |
| | June 9, 2025 | April 1, 2025 to March 31, 2028 | 192,308 | 3.84 | 738,461 | 8,868 | Will be determined in Financial Year 2029 |
| **Steve Boucratie** Senior Vice-President, General Counsel and Corporate Secretary | August 9, 2023 | April 1, 2023 to March 31, 2026 | 100,168 | 5.06 | 506,850 | 9,884 | Will be determined in Financial Year 2027 |
| | June 11, 2024 | April 1, 2024 to March 31, 2027 | 90,808 | 5.94 | 539,400 | 7,499 | Will be determined in Financial Year 2028 |
| | June 9, 2025 | April 1, 2025 to March 31, 2028 | 140,469 | 3.84 | 539,400 | 6,478 | Will be determined in Financial Year 2029 |
| **Michael Marcotte** Senior Vice-President, Corporate Development and Capital Markets | August 9, 2023 | April 1, 2023 to March 31, 2026 | 90,267 | 5.06 | 456,751 | 8,907 | Will be determined in Financial Year 2027 |
| | June 11, 2024 | April 1, 2024 to March 31, 2027 | 79,662 | 5.94 | 473,193 | 6,579 | Will be determined in Financial Year 2028 |
| | June 9, 2025 | April 1, 2025 to March 31, 2028 | 123,227 | 3.84 | 473,193 | 5,682 | Will be determined in Financial Year 2029 |

Note:

(1) Represents PSUs granted as dividend equivalent. Dividend equivalent PSUs are subject to the same terms and conditions as the PSUs and vest and are settled at the same time and in the same form as the PSUs to which such dividend equivalent PSUs relate.

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## N. Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out, as at March 31, 2026, the end of the Company's last completed financial year, information regarding outstanding options, RSUs, PSUs and DSUs granted by the Company under the Omnibus Plan. As at March 31, 2026, the number of issued and outstanding Shares of the Company was 533,251,001.

**Equity Compensation Plan Information**

| | Number of Securities to be Issued upon Exercise of Outstanding Options, PSUs, RSUs and DSUs | Weighted-Average Exercise Price of Outstanding Options | Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) |
|---|---|---|---|
| **Plan Category** | **(a)** | **(b)** | **(c)** |
| Equity Compensation plans approved by security holders | 0 (Options)<br>663,306 (DSUs)<br>2,702,859 (RSUs)<br>4,049,086 (PSUs) | N/A | 45,909,849 |
| Equity Compensation plans not approved by security holders | — | N/A | N/A |
| **Total** | **7,415,251** | **N/A** | **45,909,849** |

## O. Other Information

**i. Indebtedness of Directors and Executive Officers**

As at the date of this Remuneration Report or within 30 days of this date, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity, which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or its subsidiaries.

**ii. Interest of Informed Persons in Material Transactions**

None of the directors or executive officers of the Company beneficially own, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all issued Shares of the Company nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which has or will materially affect the Company except as disclosed elsewhere in this report.

**iii. Management Contracts**

Except as set out in the Remuneration Report, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

**iv. Director's Attendance for the Financial Year Ended March 31, 2026**

| Name | Board of Directors Meetings | Audit Committee Meetings | Remuneration, People and Governance Committee Meetings | Sustainability and Indigenous Affairs Committee Meetings |
|---|---|---|---|---|
| Michael O'Keeffe | 10 of 10 | N/A | N/A | N/A |
| David Cataford | 10 of 10 | N/A | N/A | N/A |
| Gary Lawler | 10 of 10 | 5 of 5 | 5 of 5 | N/A |
| Jyothish George | 8 of 10 | N/A | N/A | N/A |
| Michelle Cormier | 10 of 10 | 5 of 5 | 5 of 5 | 4 of 4 |
| Louise Grondin | 10 of 10 | N/A | 5 of 5 | 4 of 4 |
| Jessica McDonald | 10 of 10 | 5 of 5 | N/A | 4 of 4 |
| Ronnie Beevor | 10 of 10 | 5 of 5 | 4 of 5 | N/A |

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## P. Non-IFRS Financial Measures and Ratios

This Remuneration Report contains non-IFRS financial measures and ratios such as EBITDA, ROCE, C1 cash cost per dmt sold, mining and processing cost per dmt produced and realized sales price. 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. These non-IFRS financial measures and ratios, which are representative of the Company's performance, are used to determine the executive compensation.

Additional details on EBITDA, C1 cash cost per dmt sold and mining and processing cost per dmt produced, including reconciliations to the most directly comparable IFRS measures, have been incorporated by reference and can be found in section 20 — Non-IFRS and Other Financial Measures of the Directors' Report.

**i. Return on Capital Employed**

ROCE is a non-IFRS ratio, which was defined as EBITDA divided by capital employed, which represents capital used by the business to generate revenues and income. It includes capital funded by way of debt, lease liabilities and equity as per the consolidated statements of financial position. Non-productive capital associated with growth projects under development are excluded from capital employed. ROCE also excluded the excess of cash to better align the ratio with the Company's growth objectives. ROCE is largely used in a capital-intensive industry such as mining. ROCE does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

| | Year Ended March 31, 2025 | Year Ended March 31, 2024 | Year Ended March 31, 2023 | **Average 2023-2025** |
|---|---|---|---|---|
| (in thousands of dollars) | | | | |
| **EBITDA** | 471,290 | 552,549 | 493,176 | **505,672** |
| Long-term debt | 707,301 | 539,428 | 475,281 | **574,003** |
| Lease liabilities | 92,335 | 76,978 | 86,841 | **85,385** |
| Total equity | 1,435,398 | 1,396,510 | 1,262,704 | **1,364,871** |
| Cumulative Phase II capital expenditures[1] | — | — | (508,400) | **(169,467)** |
| Cumulative DRPF capital expenditures | (339,543) | (95,300) | (917) | **(145,253)** |
| Excess of cash[2] | (17,451) | (300,061) | (226,806) | **(181,439)** |
| **Capital Employed** | **1,878,040** | **1,617,555** | **1,088,703** | **1,528,100** |
| **ROCE** | **0.25** | **0.34** | **0.45** | **0.33** |

Notes:

(1) Capital expenditures, for the purposes of this definition, include addition to property, plant and mining equipment, in addition to deposits and advance payments to third-party service providers used as part of the Phase II project as well as Phase II start-up costs incurred before the commissioning. For the purposes of the return on capital employed calculations, as Phase II achieved commercial operation on December 1, 2022, capital expenditures for the year ended March 31, 2023, have been prorated to reflect the number of months it was in commercial operation over the year.

(2) Excess of cash is calculated as cash and cash equivalents as per the consolidated statements of financial position less $100,000,000.

The table shows the reconciliation of the actual result of 0.33 related to the payout of the PSUs granted in the financial year ended March 31, 2023, and which vested in the financial year ended March 31, 2026.

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## P. Non-IFRS Financial Measures and Ratios (continued)

**ii. Realized Sales Price**

Realized sales price is a non-IFRS ratio, which represents revenues before provisional pricing adjustments. This measure was selected by the Board as a key performance metric given that it is a strong reflection of operational efficiency and freight cost management while also reflecting the impact of the iron ore concentrate price throughout a period. Realized sales price does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

| | **Year Ended March 31,** |
|---|---|
| | **2026** |
| Iron ore concentrate sold (dmt) | 15,033,400 |
| (in thousands of dollars, except per dmt data) | |
| Revenues | 1,769,731 |
| Provisional pricing adjustments | (18,457) |
| | 1,751,274 |
| **Realized Sales Price (per dmt sold) in C$** | **116.49** |
| Foreign exchange conversion | 32.18 |
| **Realized Sales Price (per dmt sold) in US$** | **84.31** |

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# III. SPECIFIC AND GENERAL INFORMATION

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**Principal Activities**
Champion's principal activities include the production of high-purity iron ore concentrate and the development and exploration of its iron ore properties in Québec and Newfoundland and Labrador, in the Labrador Trough, Canada.

**Operating and Financial Review**
The review of operations and financials is set out in section I and forms part of this Directors' Report.

**Events Occurring After the Reporting Period**
The Board declared a tenth consecutive semi-annual dividend of $0.02 per ordinary share on May 27, 2026 (Montréal) / May 28, 2026 (Sydney), in connection with the annual financial results for the period ended March 31, 2026. The Company's shareholders on record as at the close of business on June 12, 2026 (Montréal and Sydney), will be entitled to receive payment of the dividend on July 8, 2026 (Montréal and Sydney).

On April 17, 2026, the Company completed the acquisition of 100% of the issued and outstanding shares of Rana Gruber. The acquisition was finalized at a purchase price of approximately US$300 million, plus related fees and expenses, which was founded through the issuance of 26,795,921 common shares of Champion, a new term loan of US$150 million and cash on hand.

On May 15, 2026, the Company entered into a strip of foreign exchange forward contracts totalling US$600 million with a fixed rate of 1.3626, to hedge the anticipated exposure to the variability of the USD/CAD exchange rate. These are required to be settled over the next twelve months, based on pre-determined monthly notional.

Other than the elements listed above, there are no significant matters, circumstances or events that have arisen since the end of the financial year ended March 31, 2026, that have significantly affected, or may significantly affect, in future financial years, the Company's operations, the results of those operations, or the Company's state of affairs.

**Directors**
The Directors of the Company in office during the year and until the date of this report, their qualifications and experience are set out in section 02 — Corporate Governance of the Annual Report.

**Company Secretary and Corporate Secretary**
Bill Hundy is the Company Secretary - Australia and Steve Boucratie is the Corporate Secretary. Details of their qualifications and experience are set out in section 01 — Overview (Management Team) of the Annual Report.

**Environmental Regulation and Compliance**
Champion's operations are located in Canada and, as such, it is not subject to the environmental laws or regulations of the Commonwealth of Australia or any State or Territory in Australia. Since April 2026, Champion also operates in Norway, through its newly acquired subsidiary Rana Gruber.

**Dividends**
A final unfranked dividend, in the amount of C$0.10 per ordinary share, in connection with the semi-annual results for the period ended March 31, 2025, was paid on July 10, 2025. An interim unfranked dividend in the amount of C$0.10 per ordinary share, in connection with the semi-annual results for the period ended September 30, 2025, was paid on November 27, 2025. Additional information relating to dividends for the current and prior financial year is disclosed in note 17 — Share Capital and Reserves to the Financial Statements (section 06 — Financial Report of the Annual Report).

**Indemnification and Insurance of Directors and Officers**
There are indemnities in place for Directors and Officers and insurance policies in regard to their positions. Since the end of the previous year, the Company has paid premiums to insure the Directors and Officers of Champion. No payment has been made to indemnify any director or officer during or since the year ended March 31, 2026.

**Significant Changes in the State of Affairs**
There have been no significant changes in the state of affairs of Champion, other than those disclosed in this report.

**Proceedings on Behalf of the Company**
No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

**Indemnity of Auditors**
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young (Australia), as part of the terms of its audit engagement agreement against claims from third-parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young (Australia) during or since the end of the financial year.

**Non-Audit Services**
Ernst & Young (Australia) performed other services in addition to their statutory duties. The details and remuneration for these services is disclosed in note 34 to the Financial Statements (section 06 — Financial Report of the Annual Report). The Directors have considered the non-audit services provided during the year by the auditor, and are satisfied that the provision of non-audit services by the auditor during the year is compatible, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

(a) All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and

(b) The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

**Auditor's Independence Declaration**
The lead auditor's independence declaration for the year ended March 31, 2026, has been received, as set out in section 06 — Financial Report of the Annual Report.

**Rounding**
The Company is of a kind referred to in ASIC Corporation (Rounding in Financial/Directors' Reports) Instruments 2016/191 issued by the Australian Securities and Investments Commission. In accordance with the class order, amounts in this report and in the Financial Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the Directors

/s/ Michael O'Keeffe
**Michael O'Keeffe, Executive Chairman**

/s/ Gary Lawler
**Gary Lawler, Lead Director**

Dated on May 28, 2026



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# 05.
# MINERAL RESOURCES AND ORE RESERVES STATEMENT



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# MINERAL RESOURCES AND ORE RESERVES STATEMENT

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Tonnage and quality information contained in the following tables have been rounded and, as a result, the figures may not add up to the totals quoted. The abbreviations "Mt", "Total M&I" and "Total P&P" used throughout this statement refer to million tonnes, total measured and indicated, and total proven and probable, respectively.

## 1. Governance Arrangements and Internal Controls

Mineral resources and ore reserves are subject to a systematic internal peer review. As a control measure, external technical audits are conducted when required. A technical audit completed in 2021 by independent consultants did not identify any major risks or flaws in the estimation. Likewise, a subsequent audit conducted in 2025, focused on reserves and long-term planning practices, did not identify any major risks or flaws. In general, any estimation update would be based on new information, including, but not limited to, drilling information, calibration to production and changes to assumptions. Information used in estimation updates is validated by a "qualified person" as defined in National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("NI 43-101") or a "competent person", as defined in the the Joint Ore Reserves Committee Code (2012 edition and its updates) (the "JORC Code"), as applicable.

Tonnages and grades included in this statement have been reviewed by the Company's internal resource and reserve working team.

## 2. Consolidated Mineral Resources and Ore Reserves

Champion's current mineral resources and ore reserves are separated along its two properties: Bloom Lake and Kamistiatusset (Kami).

All figures in Tables 1 and 2 are further detailed in sections 3 and 4.

**Table 1: Consolidated Mineral Resource Estimate (million dmt)**

| | | Total Property Resource Estimate | | | | | Attributable | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Property** | **Group** | **Measured** | **Indicated** | **Total M&I** | **Inferred** | **Champion Interest** | **Measured** | **Indicated** | **Total M&I** | **Inferred** |
| Bloom Lake | Bloom Lake | **130** | **1,120** | **1,249** | **255** | **100 %** | **130** | **1,120** | **1,249** | **255** |
| Kamistiatusset | Rose North | 82 | 339 | 420 | 90 | **51 %** | **42** | **173** | **214** | **46** |
| | Rose Central | 94 | 364 | 457 | 60 | **51 %** | **48** | **185** | **233** | **30** |
| | Mills Lake | 37 | 61 | 98 | 13 | **51 %** | **19** | **31** | **50** | **7** |
| | **Total** | **212** | **763** | **975** | **163** | **51 %** | **108** | **389** | **497** | **83** |
| **As at March 31, 2026*** | | **342** | **1,883** | **2,225** | **418** | | **238** | **1,509** | **1,747** | **338** |
| **As at March 31, 2025*** | | **362** | **1,764** | **2,127** | **361** | | **362** | **1,764** | **2,127** | **361** |

**Table 2: Consolidated Ore Reserve Estimate (million dmt)**

| | Total Property Reserve Estimate | | | | | | Attributable | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Property** | **Proven** | **Fe (%)** | **Probable** | **Fe (%)** | **Total P&P** | **Fe (%)** | **Champion Interest** | **Proven** | **Probable** | **Total P&P** |
| Bloom Lake | 127 | 29.7 | 474 | 27.9 | 601 | 28.3 | **100 %** | **127** | **474** | **601** |
| Kamistiatusset | 167 | 29.7 | 476 | 29.0 | 643 | 29.2 | **51 %** | **85** | **243** | **328** |
| **As at March 31, 2026*** | **294** | **29.7** | **950** | **28.4** | **1,244** | **28.7** | | **212** | **717** | **929** |
| **As at March 31, 2025*** | **315** | **29.8** | **964** | **28.6** | **1,279** | **28.9** | | **315** | **964** | **1,279** |

*As at March 31, 2025, Champion held 100% of the Kami properties. As at March 31, 2026, Champion held 51% of the Kami properties. Refer to section 4 below.

## 2. Consolidated Mineral Resources and Ore Reserves (continued)

In addition to the Bloom Lake Mine and the Kami Project, the Company owns interests in other iron deposits located in the Labrador Trough ranging from 6 to 80 km west and southwest of Fermont. All figures in Tables 3 and 4 below are further detailed in section 5.

The historical mineral resources and ore reserves, contained in Tables 3 and 4 of this statement, are strictly historical in nature, are non-compliant with NI 43-101 or the JORC Code and should, therefore, not be relied upon. Historical estimates have not been verified in accordance with the Appendix 5A of the JORC Code since their last technical report. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in the JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or ore reserves, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code.

**Table 3: Consolidated Historical Mineral Resource Estimate (million dmt)**

| | | Total Property Historical Resource Estimate | | | | | Attributable | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Property** | **Group** | **Measured** | **Indicated** | **Total M&I** | **Inferred** | **Champion Interest** | **Measured** | **Indicated** | **Total M&I** | **Inferred** |
| Consolidated Fire Lake North[1] | Fire Lake North | 27 | 667 | 694 | 522 | **100 %** | **27** | **667** | **694** | **522** |
| | Bellechasse | — | — | — | 215 | **100 %** | **—** | **—** | **—** | **215** |
| | Oil Can | — | — | — | 967 | **100 %** | **—** | **—** | **—** | **967** |
| | **Total** | **27** | **667** | **694** | **1,704** | **100 %** | **27** | **667** | **694** | **1,704** |
| Moiré Lake[2] | Moiré Lake | **—** | **164** | **164** | **417** | **100 %** | **—** | **164** | **164** | **417** |
| Quinto Claims[3] | Peppler Lake | — | 327 | 327 | 216 | **100 %** | **—** | **327** | **327** | **216** |
| | Lamêlée North | — | 272 | 272 | 653 | **100 %** | **—** | **272** | **272** | **653** |
| | Hobdad | — | — | — | 508 | **100 %** | **—** | **—** | **—** | **508** |
| | **Total** | **—** | **599** | **599** | **1,377** | **100 %** | **—** | **599** | **599** | **1,377** |
| Lamêlée South[4] | Lamêlée South | **—** | **75** | **75** | **229** | **100 %** | **—** | **75** | **75** | **229** |
| Harvey-Tuttle[5] | Harvey-Tuttle | **—** | **—** | **—** | **947** | **100 %** | **—** | **—** | **—** | **947** |
| Penguin Lake[6] | Penguin Lake | **—** | **—** | **—** | **531** | **45 %** | **—** | **—** | **—** | **239** |
| **As at March 31, 2026** | | **27** | **1,505** | **1,531** | **5,205** | | **27** | **1,505** | **1,531** | **4,913** |
| **As at March 31, 2025** | | **27** | **1,505** | **1,531** | **5,205** | | **27** | **1,505** | **1,531** | **4,913** |

**Table 4: Consolidated Historical Ore Reserve Estimate (million dmt)**

| | Total Property Historical Reserve Estimate | | | | | | Attributable | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | **Proven** | **Fe (%)** | **Probable** | **Fe (%)** | **Total P&P** | **Fe (%)** | **Champion Interest** | **Proven** | **Probable** | **Total P&P** |
| Fire Lake North[7] | 24 | 36.0 | 441 | 32.2 | 465 | 32.4 | **100 %** | **24** | **441** | **465** |
| **As at March 31, 2026** | **24** | **36.0** | **441** | **32.2** | **465** | **32.4** | | **24** | **441** | **465** |
| **As at March 31, 2025** | **24** | **36.0** | **441** | **32.2** | **465** | **32.4** | | **24** | **441** | **465** |

[1] The historical Consolidated Fire Lake North resource estimates are based on the technical reports titled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project" dated February 22, 2013, and having an effective date of January 25, 2013 (as regards Fire Lake North), "Technical Report and Resource Estimate on the Bellechasse and Fire Lake North Properties, Fermont Project Area, Québec, Canada" dated December 23, 2009, and having an effective date of November 10, 2009 (as regards Bellechasse), and "Technical Report and Mineral Resource Estimate on the Oil Can Deposit of the Consolidated Fire Lake North Property, Fermont Area, Quebec, Canada" dated August 17, 2012, and having an effective date of July 1, 2012 (as regards Oil Can). The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

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[2] The historical Moiré Lake resource estimates are based on the technical report titled "Technical Report and Mineral Resource Estimate on the Moire Lake Property" dated May 11, 2012, and having an effective date of March 28, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[3] The historical Quinto resource estimates are based on the technical reports titled "Mineral Resource Technical Report, Peppler Project, Quebec" (as regards Peppler Lake), "Mineral Resource Technical Report, Lamêlée Project, Quebec" (as regards Lamêlée) and "Mineral Resource Technical Report, Hobdad Project, Quebec" (as regards Hobdad), each dated February 15, 2013, and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[4] The historical Lac Lamêlée resource estimates are based on the technical report titled "NI 43-101 Technical Report and Mineral Resource Estimate on the Lac Lamêlée South Resources Quebec - Canada" dated July 28, 2017, and having an effective date of January 26, 2017. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[5] The historical Harvey-Tuttle resource estimates are based on the technical report titled "Technical Report and Resource Estimate on the Harvey-Tuttle Property Québec, Canada" dated April 13, 2011, and having an effective date of February 25, 2011. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[6] The historical Penguin Lake resource estimates are based on the technical report titled "43-101 Technical Report and Mineral Resource Estimate on the Penguin Lake Project" dated February 3, 2014, and having an effective date of May 1, 2013. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[7] The historical Fire Lake North reserve estimates are based on the technical report titled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project" dated February 22, 2013, and having an effective date of January 25, 2013. The historical ore reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These reserves are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules. These reserves are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

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## 3. Bloom Lake Resources and Reserves as at March 31, 2026

Bloom Lake resources and reserves are based on the technical report titled "Mineral Resources and Mineral Reserves for the Bloom Lake Mine, Fermont, Québec, Canada", prepared pursuant to NI 43-101 and Chapter 5 of the ASX Listing Rules, by André Allaire, P.Eng., PhD, and Benoit Ouellet, P.Eng., of BBA Inc.; Jérôme Martin, P.Eng., of Soutex; Erik Ronald, P.Geo., of SRK Consulting (U.S.) Inc.; and Vincent Blanchet, P.Eng., and Olivier Hamel, P.Eng., of QIO and dated September 28, 2023 (the "2023 Technical Report").

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

During the 2026 financial year, mining activities continued on the basis of the 2023 Technical Report. Since the filing of the 2023 Technical Report, the Bloom Lake resources and reserves were adjusted for pit designs, model updates and depletion from mining operations.

- Bloom Lake measured and indicated resources totalled 1,249 Mt as at March 31, 2026, compared to 1,151 Mt as at March 31, 2025;
- Bloom Lake inferred resources totalled 255 Mt as at March 31, 2026, compared to 198 Mt as at March 31, 2025; and
- Bloom Lake proven and probable reserves totalled 601 Mt at 28.3% Fe as at March 31, 2026, compared to 636 Mt at 28.6% Fe as at March 31, 2025.

Relative to the information reported as at March 31, 2025, the changes to mineral resources and ore reserves as at March 31, 2026 are due to:

- Resource only: Reference price increased from US$110.2/dmt to US$130.5/dmt, accounting for the majority of the variance;
- Depletion from mining activities;
- Routine adjustments to the unit cost model and geological model;
- Inclusion of the Sudbury Hill satellite deposit, a small and shallow outcrop not connected to the main deposit (approximately 4 Mt); and
- Minor operational changes to the pit designs.

The Bloom Lake mineral resources reported are inclusive of the Bloom Lake ore reserves. As at March 31, 2026, the Bloom Lake mineral resources reported were estimated using an iron ore reference price of US$130.5/dmt (P65 index), while the ore reserves were estimated using an iron ore reference price of US$100.0/dmt (P65 index). A linear premium was applied to 66.2% Fe concentrate (US$2.41/dmt and US$1.85/dmt respectively for resources and reserves). For the portion of iron ore concentrate to be produced at DR grade (representing approximately 50% of the total future production), a flat premium was applied instead. Bloom Lake proven reserves and measured resources as at March 31, 2026, include 1.5 Mt of pre-concentration stockpiles.

**Bloom Lake Mineral Resource Estimate (at 15% Fe Cut-Off Grade)**

| | | | | | | | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|---|---|---|---|---|
| **Category** | **Mt Tonnage (dmt)** | **Champion Interest** | **Attributable (dmt)** | **Fe (%)** | **CaO (%)** | **MgO (%)** | **$Al_2O_3$ (%)** | | **Attributable (dmt)** |
| Measured | 130 | 100 % | **130** | **30.1** | **1.1** | **1.0** | **0.3** | | 150 |
| Indicated | 1,120 | 100 % | **1,120** | **28.0** | **1.3** | **1.2** | **0.5** | | 1,001 |
| **Total Measured and Indicated** | 1,249 | 100 % | **1,249** | **28.2** | **1.3** | **1.2** | **0.5** | | 1,151 |
| **Inferred** | 255 | 100 % | **255** | **26.7** | **1.6** | **1.3** | **0.4** | | 198 |

**Bloom Lake Ore Reserve Estimate (at 15% Fe Cut-Off Grade, Diluted)**

| | | | | | | | | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|---|---|---|---|---|
| **Category** | **Mt Tonnage (dmt)** | **Champion Interest** | **Attributable (dmt)** | **Fe (%)** | **CaO (%)** | **MgO (%)** | **$Al_2O_3$ (%)** | | **Attributable (dmt)** |
| Proven | 127 | 100 % | **127** | **29.7** | **1.1** | **1.0** | **0.3** | | 148 |
| Probable | 474 | 100 % | **474** | **27.9** | **2.1** | **1.9** | **0.5** | | 488 |
| **Total Proven and Probable** | 601 | 100 % | **601** | **28.3** | **1.9** | **1.7** | **0.5** | | 636 |

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## 4. Kami Project Resources and Reserves as at March 31, 2026

Kami Project resources and reserves are based on the technical report titled "Pre-feasibility Study for the Kamistiatusset (Kami) Iron Ore Property, Newfoundland and Labrador, Canada", prepared pursuant to NI 43-101 and Chapter 5 of the ASX Listing Rules and dated March 14, 2024 (the "Kami Project Study"). Since no mining activities are underway, resources and reserves are unchanged since March 14, 2024. Additional details on the Kami Project, including the Kami Project Study, are available on the Kami Project's website at www.kami.ca under the About Kami section.

On September 29, 2025, the Company and the Partners completed the Initial Closing of the Kami Transaction, whereby Nippon Steel and Sojitz acquired an aggregate 49% interest in the Kami Partnership in exchange for cash contributions. The Company's share in the resources and reserves of the Kami Project has, therefore, decreased from 100% as at March 31, 2025 to 51% as at March 31, 2026. This change is reflected in the tables below.

The Kami Project mineral resources reported are inclusive of the Kami ore reserves. The Kami Project mineral resources reported were estimated using an iron ore concentrate price of US$150.0/dmt (CFR China, including the high-purity premium), while the ore reserves were estimated using an iron ore reference price of US$120.0/dmt (P65 index) with a DRPF premium of US$34.0/dmt.

**Kami Project Mineral Resource Estimate (at 15% Fe Cut-Off Grade)**

| Category | Mt Tonnage (dmt) | Champion Interest | Attributable (dmt) | Fe (%) | MagFe (%) | HemFe (%) | MnO (%) |
|---|---|---|---|---|---|---|---|
| Measured | 212 | 51 % | 108 | 30.2 | 14.8 | 13.0 | 1.6 |
| Indicated | 763 | 51 % | 389 | 29.5 | 16.2 | 10.0 | 1.5 |
| **Total Measured and Indicated** | **975** | **51 %** | **497** | **29.6** | **15.9** | **10.7** | **1.5** |
| **Inferred** | **163** | **51 %** | **83** | **29.2** | **14.5** | **11.9** | **1.2** |

**Kami Project Ore Reserve Estimate (at 15% Fe Cut-Off Grade)**

| Category | Mt Tonnage (dmt) | Champion Interest | Attributable (dmt) | Fe (%) | MagFe (%) | HemFe (%) |
|---|---|---|---|---|---|---|
| Proven | 167 | 51 % | 85 | 29.7 | 13.2 | 13.8 |
| Probable | 476 | 51 % | 243 | 29.0 | 15.1 | 10.6 |
| **Total Proven and Probable** | **643** | **51 %** | **328** | **29.2** | **14.6** | **11.4** |

## 5. Historical Mineral Resources and Ore Reserves

In addition to the Bloom Lake Mine and the Kami Project, the Company owns interests in other iron deposits located in the Labrador Trough ranging from 6 to 80 km west and southwest of Fermont.

The historical mineral resources and ore reserves mentioned in this section are strictly historical in nature, are non-compliant with NI 43-101 or the JORC Code and should, therefore, not be relied upon. Historical estimates have not been verified in accordance with the Appendix 5A of the JORC Code since their last technical report. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in the JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or ore reserves, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code.

Certain resources mentioned are foreign estimates from an Australian perspective, in accordance with ASX listing rules 5.12, 5.13, and Appendix 5A of the JORC Code.

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## 5. Historical Mineral Resources and Ore Reserves (continued)

### A. Consolidated Fire Lake North

The consolidated Fire Lake North project includes three deposits, the Fire Lake North, Bellechasse and Oil Can deposits. All deposits are located north of ArcelorMittal's Fire Lake mine.

**Fire Lake North Historical Mineral Resource Estimate at Cut-Off 15% Fe[8]**

| Category | Mt Tonnage (dmt) | Fe (%) |
|---|---|---|
| Measured | 27 | 35.2 |
| Indicated | 667 | 31.4 |
| **Total Measured and Indicated** | **694** | **31.5** |
| **Inferred** | **522** | **30.1** |

**Fire Lake North Historical Ore Reserve Estimate at Cut-Off 15% Fe[8]**

| Category | Mt Tonnage (dmt) | Fe (%) | CaO (%) | Weight Recovery (%) |
|---|---|---|---|---|
| Proven | 24 | 36.0 | 0.5 | 45.0 |
| Probable | 441 | 32.2 | 2.8 | 39.6 |
| **Total Proven and Probable** | **465** | **32.4** | **1.3** | **39.9** |

**Historical Inferred Resource for Other Consolidated Fire Lake North Deposits at Cut-Off 15% Fe[9]**

| Deposit | Mt Tonnage (dmt) | Fe (%) |
|---|---|---|
| Bellechasse | 215 | 28.7 |
| Oil Can | 967 | 33.2 |

### B. Moiré Lake

Moiré Lake is a stand-alone deposit located approximately 6 km west from the city of Fermont, and it can be characterized as an extension of ArcelorMittal's Mont-Wright Mine. While ArcelorMittal's ore is hematite-rich, the Moiré Lake deposit is a mix of hematite and magnetite.

**Moiré Lake Historical Resource Estimate at Cut-Off 15% Fe[10]**

| Category | Mt Tonnage (dmt) | Fe (%) |
|---|---|---|
| Measured | — | — |
| Indicated | 164 | 30.5 |
| **Total Measured and Indicated** | **164** | **30.5** |
| **Inferred** | **417** | **29.4** |

[8] The historical Consolidated Fire Lake North resource and reserve estimates are based on the technical report titled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project" dated February 22, 2013, and having an effective date of January 25, 2013. The historical mineral resources and reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These reserves and resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[9] The historical Consolidated Fire Lake North resource estimates are based on the technical reports titled "Technical Report and Resource Estimate on the Bellechasse and Fire Lake North Properties, Fermont Project Area, Québec, Canada" prepared dated December 23, 2009, and having an effective date of November 10, 2009 (as regards Bellechasse), and "Technical Report and Mineral Resource Estimate on the Oil Can Deposit of the Consolidated Fire Lake North Property, Fermont Area, Quebec, Canada" dated August 17, 2012, and having an effective date of July 1, 2012 (as regards Oil Can). The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[10] The historical Moiré Lake resource estimates are based on the technical report titled "Technical Report and Mineral Resource Estimate on the Moiré Lake Property" dated May 11, 2012, and having an effective date of March 28, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

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## 5. Historical Mineral Resources and Ore Reserves (continued)

### C. Quinto Claims

The Quinto holding is composed of several iron deposits and occurrences. The property is adjacent to the Consolidated Fire Lake North project. All the deposits have more magnetite than hematite with small amounts of iron silicates. The Peppler Lake and Lamêlée projects are part of the Quinto Claims.

**Peppler Lake Historical Resource Estimate at Cut-Off 18% Fe[11]**

| Category | Mt Tonnage (dmt) | Fe (%) |
|---|---|---|
| Measured | — | — |
| Indicated | 327 | 28.0 |
| **Total Measured and Indicated** | **327** | **28.0** |
| **Inferred** | **216** | **27.5** |

**Lamêlée North Historical Resource Estimate at Cut-Off 18% Fe[12]**

| Category | Mt Tonnage (dmt) | Fe (%) |
|---|---|---|
| Measured | — | — |
| Indicated | 272 | 29.4 |
| **Total Measured and Indicated** | **272** | **29.4** |
| **Inferred** | **653** | **30.5** |

**Hobdad Historical Resource Estimate at Cut-Off 18% Fe[13]**

| Category | Mt Tonnage (dmt) | Fe (%) |
|---|---|---|
| Measured | — | — |
| Indicated | — | — |
| **Total Measured and Indicated** | **—** | **—** |
| **Inferred** | **508** | **27.4** |

[11] The historical Peppler Lake resource estimates are based on the technical report titled "Mineral Resource Technical Report, Peppler Project, Quebec" dated February 15, 2013, and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[12] The historical Lamêlée North resource estimates are based on the technical report titled "Mineral Resource Technical Report, Lamêlée Project, Quebec" dated February 15, 2013, and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[13] The historical Hobdad resource estimates are based on the technical reports titled "Mineral Resource Technical Report, Hobdad Project, Quebec" dated February 15, 2013, and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

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## 5. Historical Mineral Resources and Ore Reserves (continued)

### D. Lamêlée South

**Lamêlée South Historical Resource Estimate at Cut-Off 18% Fe[14]**

| Category | Mt Tonnage (dmt) | Fe (%) |
|---|---|---|
| Measured | — | — |
| Indicated | 75 | 31.6 |
| **Total Measured and Indicated** | **75** | **31.6** |
| **Inferred** | **229** | **30.5** |

### E. Harvey-Tuttle

The Harvey-Tuttle property is located northwest of the Quinto Claims. It holds several small deposits, including Turtleback Mountain. As a whole, the Harvey-Tuttle property has 947 Mt of inferred historical resources at 23.2% Fe.[15]

### F. Cluster III

A series of claims located near the closed Lac Jeannine Mine, identified as Cluster III, were optioned to Cartier Silver Corporation (formerly, Cartier Iron Corporation). Champion holds 45% of the property. The main asset in Cluster III is the Penguin Lake deposit. It has a total of 535 Mt of inferred historical resources (239 Mt attributable to the Company) at 33.1% Fe with a cut-off at 15% Fe.[16] Cluster III also includes a series of small deposits near Round Lake (north-west of Penguin Lake).

## 6. Material Changes

There were no material changes in the Company's mineral resource and ore reserve estimates in the year ended March 31, 2026, other than the impact of depletion at the Bloom Lake Mine and the change attributable to the decrease of the Company's ownership of the Kami Project from 100% to 51% on September 29, 2025. All changes have been detailed in previous sections.

## 7. Qualified Person and Data Verification

Mr. Vincent Blanchet, P. Eng., Engineer at QIO, 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 statement 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*.

[14] The historical Lac Lamêlée South resource estimates are based on the technical report titled "NI 43-101 Technical Report and Mineral Resource Estimate on the Lac Lamêlée South Resources Quebec - Canada" dated July 28, 2017, and having an effective date of January 26, 2017. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near Champion's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[15] The historical Harvey-Tuttle resource estimates are based on the technical report titled "Technical Report and Resource Estimate on the Harvey-Tuttle Property Québec, Canada" dated April 13, 2011, and having an effective date of February 25, 2011. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.

[16] The historical Penguin Lake resource estimates are based on the technical report titled "43-101 Technical Report and Mineral Resource Estimate on the Penguin Lake Project (Round Lake Property), NTS 23C/01, Quebec" dated February 3, 2014 and having an effective date of May 1, 2013. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code, has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code, and Champion is not treating the historical estimates as current mineral resources or ore reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with NI 43-101 or the JORC Code. These resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code and the ASX Listing Rules.



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# 06.
# FINANCIAL REPORT



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# DIRECTORS' DECLARATION

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In the Directors' opinion:

a. the accompanying financial statements and notes

- comply with the Corporations Act 2001, the Australian Accounting Standards and the Corporations Act 2001;
- comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the Financial Statements; and
- give a true and fair view of the Company's financial position as at March 31, 2026, and of its performance for the year ended on that date.

b. the audited remuneration disclosure set out in the Remuneration Report of the Directors' Report for the year ended March 31, 2026, complies with section 300A of the Corporations Act 2001.

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

d. the information disclosed in the attached Consolidated Entity Disclosure Statement required by section 295(3A) of the Corporations Act 2001 is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 for the financial year ended March 31, 2026.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

/s/ Michael O'Keeffe
**Michael O'Keeffe, Executive Chairman**

/s/ Gary Lawler
**Gary Lawler, Lead Director**

Dated on May 28, 2026

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

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In accordance with the requirements of section 295(3A) of the Australian Corporations Act 2001, the following table presents the information relating to Champion Iron Limited and entities it controlled as at March 31, 2026:

| Entity Name | Type of Entity | Country of Incorporation | Share Capital Held | Tax Residency | Foreign Jurisdiction |
|---|---|---|---|---|---|
| Champion Innovations Limited | Body corporate | Canada | 100 % | Foreign | Canada |
| Champion Iron Mines Limited | Body corporate | Canada | 100 % | Foreign | Canada |
| Champion Iron Canada Inc. | Body corporate | Canada | 100 % | Foreign | Canada |
| Québec Iron Ore Inc. | Body corporate | Canada | 100 % | Foreign | Canada |
| Lac Bloom Railcars Corporation Inc. | Body corporate | Canada | 100 % | Foreign | Canada |
| Champion Kami Partner Inc. | Body corporate | Canada | 100 % | Foreign | Canada |
| Champion Iron Services Inc. | Body corporate | Canada | 100 % | Foreign | Canada |
| Pointe-Noire Limited Partnership | Partnership | Canada | 100 % | Foreign | Canada |
| 13527387 Canada Inc. | Body corporate | Canada | 100 % | Foreign | Canada |
| 13527395 Canada Inc. | Body corporate | Canada | 100 % | Foreign | Canada |
| Champion Exchange Limited | Body corporate | Canada | 100 % | Foreign | Canada |
| CIP Magnetite Ltd. | Body corporate | Canada | 100 % | Foreign | Canada |
| CIP Magnetite Pty Ltd. | Body corporate | Australia | 100 % | Australia | N/A |
| Drakkar BidCo AS | Body corporate | Norway | 100 % | Foreign | Norway |

# AUDITOR'S INDEPENDENCE DECLARATION

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## Auditor's independence declaration to the directors of Champion Iron Limited

As lead auditor for the audit of the financial report of Champion Iron Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended March 31, 2026, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit and review;

b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of Champion Iron Limited and the entities it controlled during the financial year.

Ernst & Young

Siobhan Hughes
Partner
Sydney, Australia
May 28, 2026

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# Champion Iron Limited

**(ACN: 119 770 142)**

## Consolidated Financial Statements
## For the Years Ended March 31, 2026 and 2025

(Expressed in thousands of Canadian dollars)

# Champion Iron Limited

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Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, which includes making material accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the consolidated financial statements, selecting appropriate accounting principles and methods, and making decisions that affect the measurement of transactions.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board of Directors fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

Ernst & Young, the independent auditors, have been appointed by the shareholders to audit the consolidated financial statements as at March 31, 2026, and 2025 and for the years then ended and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

| | |
|---|---|
| /s/ David Cataford | /s/ Nathalie Turcotte |
| David Cataford | Nathalie Turcotte |
| Chief Executive Officer | Vice-President and Corporate Controller, acting in the capacity of Chief Financial Officer |

May 28, 2026

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# Independent auditor's report to the members of Champion Iron Limited

## Report on the audit of the financial report

### Opinion

We have audited the financial report of Champion Iron Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at March 31, 2026, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at March 31, 2026 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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## Revenue from Iron Ore Sales

| Why significant | How our audit addressed the key audit matter |
|---|---|
| The Group recognised revenues of $1,770 million from the sale of iron ore for the year ended March 31, 2026, of which US$203 million remained subjected to provisional pricing at year end. The Group discloses its accounting policy and its material judgments, estimates and assumptions in respect of revenue recognition in Note 2 to the consolidated financial statements.<br>The amount of revenue recognised is impacted by the Group's provisional pricing arrangements, where the final sales price is determined based on iron ore prices subsequent to a shipment arriving at the port of discharge. The Group initially recognises sales revenue at the consideration received or expected to be received on the shipment date and re-estimates the consideration to be received using forecast iron ore prices at the end of each reporting period. The impact of iron ore price movements until final settlement is recorded as an adjustment to revenue.<br>This was considered to be a key audit matter due to the material effect provisional pricing arrangements can have on the amount of revenue recognized and the estimation involved in remeasuring receivables on sales that remain provisional at year-end. | Our audit procedures included the following:<br>▸ Obtained an understanding of the Group's process relating to the initial recognition of revenue and the re-measurement of receivables.<br>▸ For a sample of provisional and final sales, agreed key terms to offtake agreements and agreed volumes, quality, and pricing to externally provided shipping documentation, market pricing data and sales invoices.<br>▸ For the sample referred to above, assessed whether the timing of recognition of revenue was appropriate by inspecting the contract and shipping documents in accordance with relevant Australian Accounting Standards.<br>▸ For a sample of provisional and final sales, assessed the classification of these sales as provisional or final at March 31, 2026.<br>▸ Assessed the measurement of receivables for which final pricing remained provisional as at March 31, 2026, including assessing the appropriateness of forecast iron ore prices used in forming the estimate by agreeing to external market pricing data.<br>▸ Evaluated the adequacy and appropriateness of the disclosures included within the Notes to the consolidated financial statements. |

## Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## Report on the audit of the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended March 31, 2026.

In our opinion, the Remuneration Report of Champion Iron Limited for the year ended March 31, 2026 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Siobhan Hughes
Partner
Sydney, Australia
May 28, 2026

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# Champion Iron Limited

## Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

| | Notes | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **Assets** | | | |
| Current | | | |
| Cash | | **296,788** | 117,451 |
| Receivables | **4** | **179,652** | 202,470 |
| Income and mining taxes receivable | **24** | **13,937** | 3,173 |
| Prepaid expenses and advances | **5** | **47,932** | 51,722 |
| Inventories | **6** | **289,341** | 357,489 |
| | | **827,650** | 732,305 |
| Non-current | | | |
| Non-current investments | **7** | **12,946** | 15,393 |
| Advance payments | **8** | **80,368** | 76,307 |
| Intangible assets | **9** | **3,971** | 5,219 |
| Property, plant and equipment | **10** | **2,322,105** | 2,046,406 |
| Exploration and evaluation assets | **11** | **98,370** | 148,029 |
| Other non-current assets | **12** | **78,727** | 6,542 |
| Investment in a joint venture | **28** | **73,124** | — |
| **Total assets** | | **3,497,261** | 3,030,201 |
| **Liabilities** | | | |
| Current | | | |
| Accounts payable and other | **13** | **267,697** | 289,660 |
| Income and mining taxes payable | **24** | **4,366** | 25,895 |
| Current portion of long-term debt | **14** | **40,627** | 40,725 |
| Current portion of provisions | **16** | **6,054** | 2,402 |
| | | **318,744** | 358,682 |
| Non-current | | | |
| Long-term debt | **14** | **922,136** | 666,576 |
| Deferred grant | **14** | **7,037** | 8,573 |
| Lease liabilities | **15** | **93,791** | 78,619 |
| Provisions | **16** | **131,873** | 141,628 |
| Other long-term liabilities | **3, 17** | **88,938** | 15,620 |
| Net deferred tax liabilities | **24** | **400,483** | 325,105 |
| **Total liabilities** | | **1,963,002** | 1,594,803 |
| **Shareholders' equity** | | | |
| Share capital | **17** | **470,085** | 411,047 |
| Contributed surplus | | **16,647** | 16,647 |
| Warrants | **17** | **—** | 22,288 |
| Accumulated other comprehensive income | | **399** | 374 |
| Retained earnings | | **1,047,128** | 985,042 |
| **Total equity** | | **1,534,259** | 1,435,398 |
| **Total liabilities and equity** | | **3,497,261** | 3,030,201 |
| Commitments and contingencies | **30** | | |
| Subsequent events | **35** | | |

Should be read in conjunction with the notes to the consolidated financial statements

Approved on May 28, 2026 on behalf of the Board of Directors

/s/ Michael O'Keeffe
Executive Chairman

/s/ Gary Lawler
Lead Director

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# Champion Iron Limited

## Consolidated Statements of Income

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

| | | Year Ended March 31, | |
|---|---|---|---|
| | Notes | 2026 | 2025 |
| **Revenues** | **18** | **1,769,731** | 1,606,579 |
| Cost of sales | **19** | **(1,180,823)** | (1,056,243) |
| Depreciation | **31** | **(180,284)** | (148,604) |
| **Gross profit** | | **408,624** | 401,732 |
| **Other expenses** | | | |
| Share-based payments | **17** | **(11,644)** | (5,397) |
| General and administrative expenses | **20** | **(55,055)** | (48,734) |
| Sustainability and other community expenses | **21** | **(19,938)** | (18,562) |
| Innovation and growth initiatives | | **(10,363)** | (8,528) |
| **Operating income** | | **311,624** | 320,511 |
| Net finance costs | **22** | **(34,221)** | (57,539) |
| Other income | **23** | **9,503** | 2,175 |
| Share of loss of a joint venture | **28** | **(2,087)** | — |
| **Income before income and mining taxes** | | **284,819** | 265,147 |
| Current income and mining taxes | **24** | **(40,705)** | (79,139) |
| Deferred income and mining taxes | **24** | **(75,378)** | (43,963) |
| **Net income** | | **168,736** | 142,045 |
| **Earnings per share** | | (in dollars) | (in dollars) |
| Basic | **25** | **0.32** | 0.27 |
| Diluted | **25** | **0.32** | 0.27 |
| **Weighted average number of ordinary shares outstanding** | | (in thousands) | (in thousands) |
| Basic | **25** | **530,621** | 518,173 |
| Diluted | **25** | **533,235** | 527,659 |

Should be read in conjunction with the notes to the consolidated financial statements

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# Champion Iron Limited

Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars)

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| **Net income** | **168,736** | 142,045 |
| **Other comprehensive income (loss)** | | |
| Item that may be reclassified subsequently to the consolidated statements of income | | |
| Net movement in foreign currency translation reserve | **25** | (55) |
| **Total other comprehensive income (loss)** | **25** | (55) |
| **Total comprehensive income** | **168,761** | 141,990 |

Should be read in conjunction with the notes to the consolidated financial statements

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# Champion Iron Limited

## Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

| | | Attributable to Champion Shareholders | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Share Capital | | | | | | |
| | | Ordinary Shares | | | | | | |
| | Note | Shares[1] (in thousands) | $ | Contributed Surplus | Warrants | Foreign Currency Translation Reserve | Retained Earnings | Total |
| **March 31, 2025** | | **518,251** | **411,047** | **16,647** | **22,288** | **374** | **985,042** | **1,435,398** |
| **Net income** | | **—** | **—** | **—** | **—** | **—** | **168,736** | **168,736** |
| **Other comprehensive income** | | **—** | **—** | **—** | **—** | **25** | **—** | **25** |
| **Total comprehensive income** | | **—** | **—** | **—** | **—** | **25** | **168,736** | **168,761** |
| **Exercise of warrants** | **17** | **15,000** | **59,038** | **—** | **(22,288)** | **—** | **—** | **36,750** |
| **Dividends on ordinary shares** | **17** | **—** | **—** | **—** | **—** | **—** | **(106,650)** | **(106,650)** |
| **March 31, 2026** | | **533,251** | **470,085** | **16,647** | **—** | **399** | **1,047,128** | **1,534,259** |
| March 31, 2024 | | 518,071 | 409,785 | 17,372 | 22,288 | 429 | 946,636 | 1,396,510 |
| Net income | | — | — | — | — | — | 142,045 | 142,045 |
| Other comprehensive loss | | — | — | — | — | (55) | — | (55) |
| Total comprehensive income (loss) | | — | — | — | — | (55) | 142,045 | 141,990 |
| Exercise of stock options | **17** | 150 | 1,073 | (323) | — | — | — | 750 |
| Release of performance share units | **17** | 30 | 189 | (403) | — | — | (4) | (218) |
| Dividends on ordinary shares | **17** | — | — | — | — | — | (103,635) | (103,635) |
| Share-based payments | **17** | — | — | 1 | — | — | — | 1 |
| March 31, 2025 | | 518,251 | 411,047 | 16,647 | 22,288 | 374 | 985,042 | 1,435,398 |

Should be read in conjunction with the notes to the consolidated financial statements

[1] All issued ordinary shares are fully paid and have no par value.



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# Champion Iron Limited

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars)

| | Notes | Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| **Cash provided by (used in)** | | | |
| **Operating activities** | | | |
| Net income | | **168,736** | 142,045 |
| Adjustments for non-cash items | | | |
| Depreciation | **31** | **180,284** | 148,604 |
| Share-based payments | **17** | **11,644** | 5,397 |
| Change in fair value of non-current investments | **7, 26** | **3,136** | (884) |
| Change in fair value of derivative assets | **26** | **(8,810)** | — |
| Unrealized foreign exchange loss (gain) | | **(11,108)** | 18,094 |
| Accretion expense of provisions | **16, 22** | **3,061** | 1,717 |
| Amortization of transaction costs and accretion of long-term debt | **22** | **6,530** | 4,648 |
| Amortization of deferred grant | **14, 22** | **(1,536)** | (1,224) |
| Loss on disposal of property, plant and equipment | **10** | **3,042** | 5,074 |
| Share of loss of a joint venture | **28** | **2,087** | — |
| Deferred income and mining taxes | **24** | **75,378** | 43,963 |
| Other | | **325** | 130 |
| Utilization of provisions | **16** | **(2,360)** | (238) |
| | | **430,409** | 367,326 |
| Changes in non-cash operating working capital | **31** | **5,522** | (63,308) |
| **Net cash flows from operating activities** | | **435,931** | 304,018 |
| **Investing activities** | | | |
| Acquisition of non-current investments | **7, 26** | **(689)** | — |
| Increase in advance payments | **8** | **(9,955)** | (10,101) |
| Purchase of intangible assets | **9** | **(844)** | (1,568) |
| Purchase of property, plant and equipment | **10, 31** | **(395,427)** | (576,375) |
| Proceeds from disposal of property, plant and equipment | **10** | **85** | 38 |
| Investment in exploration and evaluation assets | **11** | **(17,595)** | (27,653) |
| Increase in other non-current financial assets | **12** | **(4)** | (90) |
| **Net cash flows used in investing activities** | | **(424,429)** | (615,749) |
| **Financing activities** | | | |
| Issuance of long-term debt | **14** | **765,600** | 187,951 |
| Repayment of long-term debt | **14** | **(500,405)** | (51,136) |
| Transaction costs on long-term debt | **14** | **(14,329)** | (1,029) |
| Payment of lease liabilities | **15** | **(16,581)** | (9,269) |
| Exercise of warrants | **17** | **36,750** | — |
| Exercise of stock options | **17** | **—** | 750 |
| Withholding taxes paid pursuant to the settlement of PSUs | **17** | **—** | (218) |
| Dividends paid on ordinary shares | **17** | **(106,650)** | (103,635) |
| **Net cash flows from financing activities** | | **164,385** | 23,414 |
| **Net increase (decrease) in cash** | | **175,887** | (288,317) |
| Cash, beginning of the year | | **117,451** | 400,061 |
| Effects of exchange rate changes on cash | | **3,450** | 5,707 |
| **Cash, end of the year** | | **296,788** | 117,451 |
| Interest paid | | **67,554** | 48,059 |
| Interest received | | **8,520** | 10,828 |
| Income and mining taxes paid | **24** | **72,998** | 96,649 |

Should be read in conjunction with the notes to the consolidated financial statements

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## 1. Description of Business

Champion Iron Limited ("Champion" or the "Company") was incorporated under the laws of Australia in 2006 and is dual-listed on the Australian Securities Exchange (ASX: CIA) and the Toronto Stock Exchange (TSX: CIA), and trades on the OTCQX Best Market (OTCQX: CIAFF). Its registered office is located at Level 1, 91 Evans Street, Rozelle, New South Wales 2039, Australia. The Company is domiciled in Australia and its principal activities are carried out in Canada through Quebec Iron Ore Inc. ("QIO"), its wholly-owned subsidiary. QIO's registered office is located at 1155 René-Lévesque Blvd. West, Suite 3300, Montréal, QC, H3B 3X7, Canada.

Champion is a high-purity iron ore producer with operations in Canada and Norway. Through QIO, Champion owns and operates the Bloom Lake Mining Complex ("Bloom Lake" or "Bloom Lake Mine") located on the south end of the Labrador Trough, approximately 13 kilometres north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentration plants that primarily source energy from renewable hydroelectric power, having a combined nameplate capacity of 15 million wet metric tonnes per year that produce low contaminant high-purity 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality iron ore concentrate. The iron ore concentrate from Bloom Lake is transported by rail, to a ship loading port in Sept-Îles, Québec. Benefiting from one of the highest purity resources globally, Champion is investing to be able to upgrade up to half of the Bloom Lake's mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe (the "DRPF Project"). Bloom Lake's high-purity and lower contaminant iron ore products have attracted a premium to the P61 index (formerly, the P62 index).

Since April 10, 2026, Champion also owns and operates Rana Gruber ASA ("Rana Gruber"), a Norwegian iron ore producer based in Mo i Rana, Nordland. With continuous production dating back to the 1960's, Rana Gruber produces approximately 1.8 million dry metric tonnes per year of hematite and magnetite iron ore concentrates.

Champion has delivered iron ore concentrates to global markets, including China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to its producing mines, Champion holds a 51% interest in Kami Iron Mine Partnership (the "Kami Partnership"), jointly owned with Nippon Steel Corporation ("Nippon Steel") and Sojitz Corporation ("Sojitz", and collectively with Nippon Steel, the "Partners"), which owns the Kamistiatusset project (the "Kami Project"). The Kami Project is located near available infrastructure, only 21 kilometres southeast of Bloom Lake. Champion also holds a portfolio of exploration and development projects in the Labrador Trough, including the Cluster II properties, situated within 60 kilometres south of Bloom Lake.

## 2. Material Accounting Policy Information and Future Accounting Changes

### a) Basis of Preparation and Statement of Compliance

The Company's consolidated financial statements are for the group consisting of Champion Iron Limited and its subsidiaries.

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial report is a general purpose financial report which has also been prepared for a for-profit enterprise in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards ("AAS") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

The Company has consistently applied the accounting policies used in the preparation of its IFRS consolidated financial statements with the exception of those arising from new accounting standards adopted by the Company as described in this note.

These consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and liabilities which have been measured at fair value.

The nature of the operations and principal activities of the Company are described in the Directors' Report for the year ended March 31, 2026.

These consolidated financial statements were approved and authorized for issue by the Board of Directors (the "Board") on May 28, 2026.

## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information**

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

***Consolidation***

The consolidated financial statements of the Company include the accounts of the Company and its subsidiaries. Subsidiaries are those entities that the Company controls. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (current ability to direct the relevant activities of the investee). Generally, there is a presumption that a majority of voting rights results in control. The Company considers all relevant facts and circumstances in assessing whether voting rights are sufficient to obtain control over an investee.

All intra-group assets and liabilities, revenues, expenses and cash flows relating to intra-group transactions are eliminated.

The significant subsidiaries are listed below:

| | Ownership Percentage | Country of Incorporation | Functional Currency |
|---|---|---|---|
| Champion Innovations Limited | 100 % | Canada | Canadian dollars |
| Champion Iron Mines Limited | 100 % | Canada | Canadian dollars |
| Champion Iron Canada Inc. | 100 % | Canada | Canadian dollars |
| Quebec Iron Ore Inc. | 100 % | Canada | Canadian dollars |
| Champion Kami Partner Inc. | 100 % | Canada | Canadian dollars |
| Lac Bloom Railcars Corporation Inc. | 100 % | Canada | United States ("U.S.") dollars |

***Joint arrangement***

On September 29, 2025, the Company entered into a definitive partnership agreement with Nippon Steel and Sojitz for the joint ownership and potential development of the Kami Project through the Kami Partnership, in which the Company holds a 51% interest. Under the terms of the agreement, the key strategic decisions that significantly affect the entity's returns require the unanimous consent of the parties. As a result, the arrangement was considered to be jointly controlled and was classified as a joint venture in which the parties have rights to the net assets of the Kami Partnership. Investment in the joint venture is accounted for using the equity method.

The equity method involves recording the initial investment at cost, including transaction costs, and subsequently adjusting the carrying value of the investment for the Company's share of profit (loss), other comprehensive income (loss) and any other changes in the joint venture's net assets. The Company's share of profit (loss) of a joint venture is presented outside operating income in the consolidated statements of income and represents profit (loss) before taxes of the joint venture. Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the entity. The carrying amount of an investment in a joint venture is tested for impairment at each reporting date. The joint venture has the same reporting period as the Company and prepares its financial statements in accordance with IFRS using the same accounting policies.

***Foreign currencies***

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

i) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company's entities using the exchange rates prevailing at the dates of the transactions or the appropriate average exchange rate. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income within net finance costs. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions.

ii) Foreign operations

The financial statements of entities that have a functional currency different from the Company's presentation currency are translated into Canadian dollars as follows: assets and liabilities are translated at the closing exchange rate at the reporting date, and income and expenses are translated at the average exchange rate of the period. Equity transactions are translated using the exchange rate at the date of the transaction. Exchange differences arising from these translations are recognized directly in other comprehensive income within the foreign currency translation reserve until the subsidiary is disposed or dissolved, on which date the cumulative amount is reclassified to profit or loss.



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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Inventories***

Stockpiled iron ore and iron ore concentrate inventories are measured and valued at the lower of average production cost and net realizable value. Production costs that are capitalized as inventories include the costs directly related to bringing the inventories to their current condition and location, such as materials, direct labour, depreciation and manufacturing overhead costs, based on normal capacity of the production facilities. Net realizable value is the estimated selling price of iron ore concentrate in the ordinary course of business based on the prevailing iron ore prices at the reporting date, less estimated costs to complete production and to bring iron ore concentrate to the point of sale.

Supplies and spare parts are valued at the lower of cost or net realizable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

***Intangible assets***

Intangible assets acquired separately are carried at cost, less accumulated depreciation and accumulated impairment losses. Configuration and customization costs under cloud computing arrangements are capitalized only when the Company has control over the intellectual property of the underlying software code.

Depreciation of finite-life intangible assets is recognized on a straight-line basis over their estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The estimated useful life and depreciation method are reviewed at least at each year-end, with the effect of changes in estimates being accounted for on a prospective basis if any.

Depreciation is calculated on the following basis over the economic useful lives of the intangible assets with a finite useful life:

| | |
|---|---|
| Port access | Straight-line over 20 years |
| Software | Straight-line over 3 years |

***Property, plant and equipment***

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Depreciation is calculated on the following basis over the estimated useful lives of property, plant and equipment:

| | |
|---|---|
| Mining and processing equipment | Straight-line over 1 to 15 years or units-of-production basis over the recoverable reserves |
| Locomotives, railcars and rails | Straight-line over 24 years |
| Tailings dikes | Straight-line over 7 years or units-of-production basis over the recoverable reserves |
| Mining development and stripping asset | Straight-line over 4 years or units-of-production basis over the recoverable reserves |
| Asset rehabilitation obligation and other | Straight-line over 10 to 24 years or units-of-production basis over the recoverable reserves |
| Right-of-use assets | Straight-line over 1 to 24 years or units-of-production basis over the recoverable reserves |

Useful lives of the assets are reviewed annually and adjusted prospectively if appropriate. Gains and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized in the consolidated statements of income.

***Assets under construction***

i) Property, plant and equipment in the course of construction or use for its own purposes

The cost comprises their purchase price and any costs directly attributable to bringing them into working conditions for their intended use. Assets under construction include capitalized borrowing costs attributable to the acquisition, development or construction of assets that necessarily take a substantial period of time to get ready for their intended use. Assets under construction are carried at cost less any recognized impairment loss and are not subject to depreciation. Assets under construction are classified to the appropriate category of property, plant and equipment and the depreciation of these assets commences when the assets are ready for their intended use.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Assets under construction*** (continued)

ii) Mineral properties under development

Costs incurred subsequent to the establishment of the technical feasibility and commercial viability of the extraction of resources from a particular mineral property are capitalized. Capitalized costs, including mineral property acquisition costs and certain mine development and construction costs, are not depreciated until the related mining property has reached a level of operating capacity pre-determined by management, often referred to "as commercial production" or expected capacity. The date of transition from construction to commercial production or expected capacity accounting is based on both qualitative and quantitative criteria such as substantial physical project completion, sustained levels of mining and processing activity, and passage of a reasonable period of time. Upon completion of mine construction activities (based on the determination of commercial production or expected capacity), costs are removed from assets under development and incorporated into the appropriate categories of property, plant and equipment and supplies inventories.

***Acquisition of a group of assets***

When acquiring a group of assets, the Company determines whether the set of activities and assets acquired meet the definition of a business. If they do not constitute a business, the group of assets, including intangible assets acquired and liabilities assumed, are accounted for based on their relative fair values at the date of acquisition. The cost of acquisition, including directly attributable acquisition-related costs, is measured as the aggregate of the consideration transferred measured at the acquisition date fair value.

The cost of the assets on initial recognition excludes any variable contingent consideration.

***Production stripping (waste removal) costs***

Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a production stripping asset within property, plant and equipment, if the following criteria are met:

- Future economic benefits (being improved access to the ore body) are probable;
- The component of the ore body for which access will be improved can be accurately identified; and
- The costs associated with the improved access can be reliably measured.

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs in cost of sales as they are incurred.

The stripping ratio varies depending on the stage of the mine life. All costs related to a stripping ratio higher than the life of mine ratio are capitalized and all costs related to a stripping ratio lower than the life of mine ratio result in amortization of the stripping activity asset. Stripping costs incurred in the pre-production period have also been capitalized using the same methodology. Refer to the Material Judgments, Estimates and Assumptions section below.

***Exploration and evaluation assets***

Exploration and evaluation expenditures, including the costs of acquiring licenses and directly attributable general and administrative costs, are initially capitalized as exploration and evaluation assets. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Mining tax credits earned in respect of costs incurred in Québec are recorded as a reduction to exploration and evaluation assets when there is a reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation assets depends on the Company's ability to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation assets do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets are first tested for impairment and then reclassified to property, plant and equipment or expensed to the consolidated statements of income to the extent of any impairment.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Impairment of non-financial assets***

The Company's non-financial assets, such as intangible assets, property, plant and equipment and exploration and evaluation assets are reviewed for indicators of impairment at least annually and upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. If an indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized in the consolidated statements of income when the carrying amount of an asset, or its cash-generating unit ("CGU"), exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the assets or CGUs in an arm's length transaction between knowledgeable and willing parties, using assumptions that an independent market participant may take into account. Value in use is determined as the present value of the future cash flows expected to arise from the continued use of the assets or CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. However, the impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

***Financial instruments***

i) Financial assets recognition and classification

On initial recognition, financial assets are either classified and measured at amortized cost, fair value through profit and loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). In order for financial assets to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that represent solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Financial assets at amortized cost include the Company's cash, short-term investments, if any, trade receivables associated with contracts not subject to provisional pricing, the joint venture's contribution note and other receivables which are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest income received and impairment losses are recognized within net finance costs in the consolidated statements of income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at FVTPL include the Company's trade receivables subject to provisional pricing, non-current investments and derivative assets. The Company's trade receivables subject to provisional pricing relate to sale contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant quotation period stipulated in the contract. The embedded derivative related to this exposure to the commodity price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at FVTPL in its entirety from the date of recognition of the corresponding sale, with subsequent movements being recognized as provisional pricing adjustments within revenues in the consolidated statements of income. Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with subsequent net changes in fair value recognized in profit or loss.

Trade receivables are non-interest-bearing. Typically, 95% of the provisional invoice, independently of the quotation period, is received in cash between 15 and 30 days of the date of the sale, which reduces the credit risk associated with trade receivables. The remaining 5% balance in addition to price changes post-shipment is generally received (or paid) within 3 months of the vessel discharge date.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Financial instruments*** (continued)

ii) Impairment of financial assets

The Company recognizes an allowance for expected credit loss ("ECL") for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables (other than trade receivables subject to provisional pricing) due in less than 12 months, the Company applies the simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company considers a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, which generally occurs when past due for more than one year and not subject to any enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

iii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and payables, net of directly attributable transaction costs.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designed as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes in fair value are recognized in profit or loss.

Other liabilities are subsequently measured at amortized cost using the EIR method by taking into account any discount or premium on acquisition and fees or costs. Interest expenses are recognized as finance costs in the consolidated statements of income. Financial liabilities at amortized cost include the Company's long-term debt and trade payable.

iv) Derecognition of financial liabilities

A financial liability is derecognized when the associated obligation is discharged, cancelled or expires with gains or losses on derecognition recognized in the consolidated statements of income. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Financial instruments*** (continued)

v) Derivative financial instruments

Derivative financial instruments are measured at FVTPL, unless they are designated as hedging instruments for which hedge accounting is applied. Changes in the fair value of derivative financial instruments not designated in a hedging relationship are recognized in other income (expenses), based on the nature of the exposure. The Company has no hedging instruments.

Financial or non-financial contracts may include embedded derivatives. Embedded derivatives for which economic characteristics and risks are closely related to the host contracts are not accounted for as a separate derivative. Embedded derivatives that are not closely related to the host contract such as prepayment options are measured at fair value, with the initial value recognized as an increase of the related long-term debt and amortized to income using the effective interest method. Subsequent changes in the fair value of embedded derivatives are recorded either in net finance costs or other income (expenses), depending on the nature of the derivative.

Reassessment of embedded derivatives only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

In the financial year ended March 31, 2026, the Company entered into foreign currency put/call options and a forward contract to hedge its exposure to fluctuations of the USD/NOK exchange rate associated with the contemplated acquisition of a Norwegian company. Such derivative financial instrument is initially recognized at fair value on the date on which the derivative contract is entered into and is subsequently remeasured at fair value, with changes in fair value recognized in the consolidated statements of income.

***Leases***

i) Champion as a lessee

Leases are recognized as a right-of-use asset in property, plant and equipment and a corresponding liability in lease liabilities at the date at which the leased asset is available for use by the Company. The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives;
- Any initial direct costs incurred by the Company; and
- Restoration costs.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation. The right-of-use asset is depreciated either on a straight-line basis over the lease term, taking into account any extensions that are likely to be exercised (or longer if a purchase option is reasonably certain to be exercised) or the units-of-production basis over the recoverable reserves. Right-of-use assets are subject to impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the Company's incremental borrowing rate, unless the implicit rate in the lease contract is readily determinable, in which case the latter is used. Each lease payment is allocated between the repayment of the principal portion of the lease liability and the finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Leases*** (continued)

i) Champion as a lessee (continued)

Payments associated with short-term leases, leases of low-value assets and certain variable lease payments are recognized on a straight-line basis as an expense in profit or loss.

At the time of the full termination of the lease, the Company derecognizes the right-of-use asset and lease liability. A gain or loss for any difference between the carrying amounts of the right-of-use asset and lease liability as of the date of termination is recognized under other income (expenses) in the consolidated statements of income.

ii) Champion as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from these contracts is accounted for on a straight-line basis over the lease term and is included in other income (expenses) in the consolidated statements of income as it is not part of the Company's regular operations.

***Provisions***

The Company records provisions for the legal and constructive asset retirement obligations as well as compensation plans' obligations to fulfill conditions associated with tailings and waste rock storage expansion plan. The provisions are recorded for an amount that represents the expected expenditure required to settle the present obligation at the end of the reporting date. Where the effect of the time value of money is material, the Company adjusts the amount of the provision which is the present value of the expenditures expected to be required to settle the obligation, discounted by the number of years between the reporting date and the expected disbursement date, using a discount rate that reflects current market assessments of the time value and risks at the reporting period. The unwinding of the discount is recognized as finance cost.

***Share capital and dividends***

Share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects. Proceeds from issuance of share capital are allocated between share capital and ordinary share purchase warrants by calculating the fair value of the warrants using the Black-Scholes option pricing model and recording the share capital portion using the residual method as the difference between the fair value of the warrants and the proceeds received. Issuance costs are allocated pro rata between the share capital and warrants and netted against each component.

The Company recognizes a liability to pay a dividend when the distribution is authorized by the Board, and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

***Employee benefits***

i) Post-employment benefits

Certain employees of the Company have entitlements under the Company's collective pension and retirement agreement, which operates as a defined-contribution pension plan. The cost of defined contribution retirement benefit plans is recognized as an expense when employees have rendered service entitling them to the contributions.

ii) Stock option plan

The Company may offer a stock option plan to eligible directors and employees. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based payments and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based payments associated with the unvested portion of the stock options forfeited is reversed.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Employee benefits*** (continued)

iii) Other awards

As part of the remuneration plan, the Company offers performance share unit ("PSU") awards, restricted share unit ("RSU") awards and deferred share unit ("DSU") awards. Recipients of these share-based awards are entitled to receive a dividend equivalent.

Equity-settled share-based payments are measured at fair value and the awards expected to vest are accrued on a straight-line basis over the vesting period with a corresponding increase in contributed surplus. The grant date fair value of equity-settled share-based awards is determined using the share price of the Company on the TSX at the grant date. At a dividend record date, if any, the dividend equivalent is recognized directly as an increase in contributed surplus with a corresponding amount in retained earnings based on the vesting period, measured at the grant date fair value of the dividend equivalent.

Cash-settled share-based payments are measured at fair value at the grant date with a corresponding liability. The grant date fair value of the compensation is measured based on the closing share price of the Company on the TSX adjusted to take into account the terms and conditions upon which the shares were granted, if any, and the awards that are expected to vest. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, based on the closing share price, with any changes in the fair value measurement of the liability recognized in profit or loss. At a dividend record date, if any, the dividend equivalent is recognized as a liability for cash-settled awards with a corresponding amount as share-based payments in profit or loss.

When terms of an equity-settled share-based award are modified such that the award becomes a cash-settled award, at the date of modification, a liability is recognized based on the fair value of the cash–settled award at that date and the extent to which the vesting period has expired with a corresponding decrease in contributed surplus. Subsequently, the fair value of the liability is remeasured at the end of each reporting period, with any changes in fair value recognized in profit or loss.

***Revenue***

The Company recognizes revenue from sales of iron ore concentrate, net of any discount, when control of the iron ore concentrate is transferred to the customer, which is generally when the iron ore concentrate is delivered to the vessel. The product is generally sold on Free On Board (FOB) Incoterm, where the Company has no responsibility for freight or insurance once control of the iron ore concentrate has passed at the loading port. Thus, the performance obligation is satisfied at a point in time. At the time the iron ore concentrate is loaded, the Company has transferred the significant risks and rewards to the customer, including the legal title, as well as the physical transfer of the iron ore concentrate. The Company recognizes revenues net of freight, freight commission, marketing incentives and other costs.

The Company's iron ore concentrate is sold to customers under contracts that vary in pricing mechanism. The majority of the Company's sales are sold under pricing arrangements whereby final prices are determined by quoted market prices subsequent to the date of the sale, based on a mutually agreed final quotation period stipulated in the contract. For these sales, revenue is recognized at an amount that reflects the consideration to which the Company expects to receive in exchange for the iron ore concentrate transferred, with reference to the relevant price indices. At each reporting date, the Company re-estimates these sales, with subsequent mark-to-market adjustments recorded as provisional pricing adjustments in sales revenue up to the date of the final settlement.

Customers have no right of return. If the iron ore concentrate delivered does not meet quality specifications agreed in the sales contracts, as determined by discharge port certificates, the selling price is adjusted to reflect penalties specified in the sales contracts.

***Government grants***

Government grants are recognized at fair value when there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recorded as a deferred credit and recognized as income or recorded against the expenditure, as the related costs for which it is intended to compensate are expensed. When the grant relates to an asset, it is deducted from the cost of the related asset. The Company presents grants received related to an expense item within operating activities whereas grants received related to an asset are presented within the investing activities against the purchase of property, plant and equipment in the consolidated statements of cash flows.

Interest-bearing loans from government at a below-market interest rate are treated as government grants and are recognized at fair value measured at the present value of all future cash flows discounted using the prevailing market rate of interest for similar instruments. The difference between the fair value of the loan and the consideration received is recognized as a government grant. After initial recognition, the interest-bearing loan is subsequently measured at amortized cost using the effective interest rate method. The government grant is amortized over the loan maturity.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**b) Material Accounting Policy Information** (continued)

***Innovation and growth initiative expenses***

Innovation and growth initiative expenses are recognized in profit or loss as incurred, except if the expenditures are related to the development and setup of new products, processes and systems and satisfy generally accepted conditions for capitalization, including reasonable assurance that they will be recovered. Capitalized innovation and growth expenditures are measured at cost less accumulated depreciation, using the straight-line method, and accumulated impairment losses.

***Income tax***

Income tax expense comprises current and deferred taxes. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**c) Material Judgments, Estimates and Assumptions**

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

***Production start date***

The Company assessed the stage of its mining asset construction project to determine when it has reached the commercial production phase. Commercial production is achieved when the project is substantially completed and ready for its intended use. The Company considers various relevant criteria to assess when the commercial production phase is considered to have commenced including, but not limited to:

- Level of capital expenditure incurred compared to original budget;
- Majority of the assets making up the mining project are substantially complete and ready for use;
- Completion of a reasonable period of testing of the mine plant and equipment; and
- Ability to produce iron ore concentrate in saleable form (within specifications) and to sustain ongoing production of iron ore concentrate.

When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either included as forming part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements or reserve development. It is also at this point that depreciation commences.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**c) Material Judgments, Estimates and Assumptions** (continued)

***Mineral resources and ore reserves***

Mineral resource and ore reserve estimates (referred to as mineral resource and mineral reserve under the National Instrument 43-101) are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its mineral resources and ore reserves based on information compiled by qualified persons relating to geological and technical data, on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Recovery of ore reserves is based on factors such as estimated future prices, expected future production and production costs and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. Such an analysis requires complex geological judgments and estimates. Estimates of mineral resources and ore reserves have an impact on the following items:

- Capitalized stripping costs recognized as inventory or charged as cost of sales in profit or loss as it may change due to changes in stripping ratios;
- Depreciation charge as changes in estimates of mineral resources and ore reserves may affect the useful life or units-of-production method of calculation for depreciation;
- Rehabilitation obligation as changes in estimates may affect the expected date to settle the obligation; and
- Carrying value of non-financial assets as changes in estimates may affect estimated future cash flows and therefore impact impairment analysis.

The Company expects that, over time, its mineral resource and ore reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels, and may be affected by changes in iron ore prices. The Company's latest updated National Instrument 43-101 Technical report for the mineral resources and ore reserves of the Bloom Lake Mine was published in October 2023.

***Definition of separate open pits***

Where a mine operates several open pits that are regarded as separate operations for the purpose of mine planning, initial stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping of the second and subsequent pits is considered to be production phase stripping. The judgment as to whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances.

The following factors would point towards the initial stripping costs for the individual pits being accounted for separately:

- If the second and subsequent pits are mined consecutively following that of the first pit, rather than concurrently;
- If separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset;
- If the pits are operated as separate units in terms of mine planning and the sequencing of overburden removal and ore mining, rather than as an integrated unit; and
- If the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

If the designs of the second and subsequent pits are significantly influenced by opportunities to optimize output from several pits, including the co-treatment or blending of the output from the pits, then this would point to treatment as an integrated operation for the purposes of accounting for initial stripping costs. The relative importance of each of the above factors is considered in each case. The Company operates three open pits at the Bloom Lake Mine. Starting on April 1, 2025, the Company assessed that the three open pits were integrated and as such, the Company uses one stripping ratio (March 31, 2025: two stripping ratios).

***Depreciation of non-current assets***

Property, plant and equipment are depreciated over their useful life, or over the remaining life of the mine if that is shorter and there is no reasonable alternative use for the asset by the Company. The useful lives of the major assets of a CGU are often dependent on the life of the mine to which they relate. Where this is the case, the lives of mining properties, plant, concentrators and other long-lived processing equipment are generally limited to the expected life of mine, which is estimated on the basis of the mining plan. Where the major assets of a CGU are not dependent on the life of mine, management applies judgment in estimating the remaining service potential of long-lived assets.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**c) Material Judgments, Estimates and Assumptions** (continued)

***Recovery of exploration and evaluation assets***

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the period for which the Company has the right to explore in a specific area, actual and planned expenditures, and results of exploration. Management judgment is also applied in determining whether an economically viable operation can be established or whether activities have not reached a stage that permits a reasonable assessment of the existence of ore reserves, significant negative industry or economic trends, CGUs, the lowest levels of exploration and evaluation assets grouping, for which there are separately identifiable cash flows, generally on the basis of areas of geological interest. Refer to note 11 — Exploration and Evaluation Assets.

***Joint arrangement***

Judgment is required to determine when the Company has joint control, which requires an assessment of the key strategic activities of the arrangement to determine which activities most significantly affect the returns of the arrangement over its life. When unanimous consent is required over the decisions about the key strategic activities, the parties whose consent is required have joint control over the arrangement. The judgments around which activities are considered to be strategic are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, the Company has determined that the key strategic activities for the Kami Partnership relate to the managing of the asset while it is being designed, developed and constructed, during its operating life and during the closure period. Those activities include the determination of the life of mine plan, entering into decisive long-term operating contracts for rail and port services, approval of budgets for significant operating costs and capital expenditures, obtaining funding, management of financial assets, and appointment, remuneration and termination of key management personnel. The control and key strategic activities of the arrangement are reassessed whenever there is a change in circumstances or contractual terms.

Judgment is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. In making this determination, the structure and the legal form of the arrangement, the contractual terms and other facts and circumstances are analyzed. This assessment requires judgment and has led the Company to conclude that the Kami Partnership is a joint venture for the purposes of the consolidated financial statements, as the Company only has rights to the net assets of the arrangement proportionate to its ownership interest.

***Lease liabilities and right-of-use assets***

The Company makes judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include determining contracts in scope of IFRS 16, determining the contract term, determining the interest rate used for discounting future cash flows, assessing purchase option and separating components of a contract. The lease term determined by the Company generally comprises a non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The same term is applied as the useful life of right-of-use assets. Lease payments include the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The separation of components of a contract requires estimates and judgments for allocating the consideration in the contract to each lease component and non-lease component. Refer to notes 10 — Property, Plant and Equipment and 15 — Lease Liabilities.

***Provisions***

The provisions are based on the best estimate of the amount that the Company would rationally pay to settle the present obligation at the end of the reporting period or to transfer it to a third party. Assumptions based on the current economic environment have been made, which management believes to be a reasonable basis upon which to estimate the future liability. These estimates are reviewed at each reporting period to take into account any material changes to the assumptions, including regulatory changes and cost increases associated with site areas used for tailings and waste for the rehabilitation obligation, and revisions to future expenditures following the completion of projects, changes in projects concepts and additional data from field studies for the compensation plans' obligation.

Actual costs will ultimately depend upon future market prices for the necessary works required that will reflect market conditions at the time. Furthermore, the timing of rehabilitation is likely to depend on when Bloom Lake ceases to produce at economically viable rates. This, in turn, will depend upon future iron ore prices, which are inherently uncertain.

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## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

**c) Material Judgments, Estimates and Assumptions** (continued)

***Revenue recognition***

At each reporting period, the Company re-estimates sales subject to provisional pricing with reference to forward price indices. The forward price depends on the final quotation period as per sale contracts, which usually depends on the date when the vessel arrives at its final destination. The arrival date is initially estimated at the sale date and then re-evaluated before each reporting date. Price changes for shipments awaiting final pricing at year-end could have a material effect on future revenues. As at March 31, 2026, there was US$203,438,000 in revenues that were awaiting final pricing (March 31, 2025: US$223,992,000).

**d) New Accounting Standards or Amendments Issued and Adopted by the Company**

The Company adopted the following new accounting standard for the first time for the financial year beginning April 1, 2025. No amendments to existing standards have been adopted by the Company on April 1, 2025.

***AASB S2 (IFRS S2), Climate-related Disclosures ("IFRS S2")***

A set of climate-related financial disclosures, including climate-related physical risks, transition risks and opportunities, required under AASB S2, is covered in the section 07 — Sustainability Report of the Company's Annual Report for the year ended March 31, 2026.

**e) New Accounting Standards or Amendments Issued to be Adopted at a Later Date**

The following amendments to existing standards and the new standard have been issued and are applicable to the Company for its annual period beginning on April 1, 2026, and thereafter, with an earlier application permitted:

***Amendments to AASB 9 (IFRS 9), Financial Instruments ("IFRS 9") and AASB 7 (IFRS 7), Financial Instruments: Disclosures ("IFRS 7")***

The amendments clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with Environmental, Social and Governance (ESG) linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

***AASB 18 (IFRS 18), Presentation and Disclosure in Financial Statements ("IFRS 18")***

IFRS 18 replaces IAS 1 - Presentation of Financial Statements and requires: i) income and expenses in the income statement to be classified into three new defined categories "Operating", "Investing" and "Financing" and two new subtotals "Operating profit or loss" and "Profit or loss before financing and income tax"; ii) disclosures about management-defined performance measures, which are non-IFRS measures related to the income statement, used in public communications to communicate management's view of the entity's financial performance; and iii) an appropriate level of aggregation and disaggregation based on similar characteristics and specific disclosure requirements for entities that present operating expenses by function in the income statement.

The Company is currently evaluating the impact of adopting the amendments and the new standard on the Company's consolidated financial statements.

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## 3. Kami Iron Mine Partnership

On September 29, 2025, the Company, Nippon Steel and Sojitz entered into a definitive partnership agreement for the joint ownership and potential development of the Kami Project (the "Kami Transaction"). The assessment of the terms of the partnership agreement led the Company to conclude that the arrangement is jointly controlled, and is classified as a joint venture, accounted for using the equity method in the consolidated financial statements. Refer to note 28 — Joint Venture.

The Company contributed net assets totalling $60,348 and received, at the Kami Transaction date, a 51% interest in the Kami Partnership, valued at $62,057, including capitalized transaction costs of $1,437 and a gain on the loss of control of $272 presented in Other income, as well as a non-current note receivable of $68,600 representing the Partners' initial cash contributions. Net assets mainly included title to all Kami mining rights, permits, properties and surface rights related to the Kami Project. At the Kami Transaction date, the Partners made total cash contributions of $68,600 to the Kami Partnership, as part of the initial closing of the Kami Transaction, for an aggregate 49% interest.

Until a final investment decision is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests. In connection with these options, the Company recorded a liability of $68,600 representing the maximum amount repayable to the Partners if they exercise their options. The liability was presented in Other non-current liabilities in the consolidated statements of financial position and will be extinguished upon expiry or exercise of the options.

Pursuant to the second closing, the Partners will make subsequent total cash contributions of $176,400, subject to the completion of a definitive feasibility study, Champion and the Partners proceeding with positive interim investment elections to pursue work towards a final investment decision, as well as other customary closing conditions. Refer to note 30 — Commitments and Contingencies.

## 4. Receivables

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Trade receivables (i) | **135,537** | 145,457 |
| Sales tax | **37,663** | 36,345 |
| Grants receivable | **1,914** | 2,543 |
| Other receivables (ii) | **4,538** | 18,125 |
| | **179,652** | 202,470 |

(i) As at March 31, 2026, the trade receivables, associated with revenues that remained subject to provisional pricing, represented a receivable balance of $43,191 (March 31, 2025: $70,410).

(ii) Other receivables as at March 31, 2025, included $11,451 of refundable expenditures related to the Kami Project feasibility study costs, representing the pro-rata share of costs to be repaid by the Partners. The related receivable balance was settled concurrently with the initial closing of the Kami Transaction, in addition to expenditure incurred by that date for an aggregate amount of $15,630. Refer to notes 3 — Kami Iron Mine Partnership and 11 — Exploration and Evaluation Assets.

For information about the Company's exposure to credit risk, refer to note 26 — Financial Instruments.

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## 5. Prepaid Expenses and Advances

| | Note | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Railway transportation and terminal logistics (i) | | **36,074** | 36,644 |
| Port handling services | **8** | **3,469** | 3,965 |
| Insurance | | **902** | 1,028 |
| Other | | **7,487** | 10,085 |
| | | **47,932** | 51,722 |

(i) As at March 31, 2026, the railway transportation and terminal logistics prepaid balance included the current portion of railway services agreements of $3,293 (March 31, 2025: $16,706) and monthly prepayments pursuant to service agreements. Refer to note 8 — Advance Payments.

## 6. Inventories

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Stockpiled ore | **58,568** | 47,048 |
| Iron ore concentrate inventories | **100,333** | 189,955 |
| Supplies and spare parts | **130,440** | 120,486 |
| | **289,341** | 357,489 |

For the year ended March 31, 2026, the amount of inventories recognized as an expense totalled $1,361,107 (year ended March 31, 2025: $1,204,847).

## 7. Non-Current Investments

| | Measurement | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Equity investments in a private entity | FVTPL | **12,937** | 15,384 |
| Equity investments in a publicly listed entity | FVTPL | **9** | 9 |
| | | **12,946** | 15,393 |

| | Note | Year Ended March 31, 2026 | 2025 |
|---|---|---|---|
| **Opening balance** | | **15,393** | 14,509 |
| Change in fair value | **23** | **(3,136)** | 884 |
| Acquisition | | **689** | — |
| **Ending balance** | | **12,946** | 15,393 |

For information about the Company's equity instruments, refer to note 26 — Financial Instruments.

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## 8. Advance Payments

| | Note | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Advance payments related to railway transportation and terminal logistics (i) | | **20,621** | 34,780 |
| Prepaid future port handling services (ii) | | **16,414** | 18,484 |
| Other long-term advance (iii) | | **50,095** | 43,714 |
| | | **87,130** | 96,978 |
| Less current portion classified in "Prepaid expenses and advances" | **5** | **(6,762)** | (20,671) |
| | | **80,368** | 76,307 |

(i) In October 2017, the Company entered into a railway and stockyard facilities access agreement with Société Ferroviaire et Portuaire de Pointe-Noire ("SFP Pointe-Noire") for the transportation, unloading, stockpiling and loading of iron ore concentrate from Sept-Îles to Pointe-Noire, Québec. In connection with the agreement, the Company makes annual payments of $3,750 to SFP Pointe-Noire to cover the investments made at the time with respect to a portion of the infrastructure. Advance payments are amortized over the life of mine. As at March 31, 2026, the related advance payments amounted to $17,328 (March 31, 2025: $15,247).

In April 2021, the Company entered into an agreement to expand an existing long-term rail contract with a third-party railway services provider to accommodate the anticipated increased production volumes associated with its second plant. Advance payments are recovered by means of a monthly credit per tonne hauled exceeding a predetermined tonnage. In connection with this agreement, the remaining advance payments totalled $3,293 as at March 31, 2026 (March 31, 2025: $19,533) and are fully included under Prepaid expenses and advances in the consolidated statements of financial position (March 31, 2025: current portion of $16,706).

(ii) Pursuant to the agreement between the Company and the Sept-Îles Port Authority ("Port"), the Company made an advance payment on its future shipping, wharfage and equipment fees. Advance payments totalled $16,414 as at March 31, 2026 (March 31, 2025: $18,484) and are recovered by means of a monthly credit per tonne sold. The current portion of the port advances totalled $3,469 as at March 31, 2026 (March 31, 2025: $3,965) and is included under Prepaid expenses and advances in the consolidated statements of financial position.

(iii) The other long-term advance totalled $50,095 as at March 31, 2026 (March 31, 2025: $43,714) and relates to amounts paid to SFP Pointe-Noire annually which are recoverable under the guarantee access agreement if certain conditions are met. It also includes advance payments for major replacement parts, transshipment and rail assets improvement expenditures incurred by railway and port service providers, which are amortized in Cost of sales based on the expected useful life of the assets.

The additional investments related to capital maintenance expenditures are presented under the Investing activities in the consolidated statements of cash flows, on the line increase in advance payments, and totalled $9,955 for the year ended March 31, 2026 (year ended March 31, 2025: $10,101).

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## 9. Intangible Assets

| | Port Access | Software | Total |
|---|---|---|---|
| **Cost** | | | |
| March 31, 2025 | **3,513** | **9,547** | **13,060** |
| Additions | **—** | **844** | **844** |
| Disposals | **—** | **(6,246)** | **(6,246)** |
| **March 31, 2026** | **3,513** | **4,145** | **7,658** |
| | | | |
| **Accumulated depreciation** | | | |
| March 31, 2025 | **426** | **7,415** | **7,841** |
| Depreciation | **181** | **1,911** | **2,092** |
| Disposals | **—** | **(6,246)** | **(6,246)** |
| **March 31, 2026** | **607** | **3,080** | **3,687** |
| | | | |
| **Net book value - March 31, 2026** | **2,906** | **1,065** | **3,971** |

| | Port Access | Software | Total |
|---|---|---|---|
| **Cost** | | | |
| March 31, 2024 | 3,513 | 7,979 | 11,492 |
| Additions | — | 1,568 | 1,568 |
| March 31, 2025 | 3,513 | 9,547 | 13,060 |
| | | | |
| **Accumulated depreciation** | | | |
| March 31, 2024 | 243 | 6,077 | 6,320 |
| Depreciation | 183 | 1,338 | 1,521 |
| March 31, 2025 | 426 | 7,415 | 7,841 |
| | | | |
| Net book value - March 31, 2025 | 3,087 | 2,132 | 5,219 |

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## 10. Property, Plant and Equipment

| | Mining and Processing Equipment | Locomotives, Railcars and Rails (i) | Tailings Dikes | Assets under Construction (ii) | Mining Development and Stripping Asset | Asset Rehabilitation Obligation and Other | Subtotal | Right-of-use Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| March 31, 2025 | **968,446** | **137,378** | **358,058** | **365,876** | **276,090** | **157,542** | **2,263,390** | **214,090** | **2,477,480** |
| Additions | **71,584** | **—** | **—** | **282,952** | **50,937** | **3,488** | **408,961** | **37,326** | **446,287** |
| Disposals, lease modifications & termination | **(57,823)** | **—** | **—** | **(192)** | **(223)** | **—** | **(58,238)** | **9,120** | **(49,118)** |
| Transfers | **14,145** | **1,116** | **68,304** | **(87,988)** | **—** | **4,423** | **—** | **—** | **—** |
| Foreign exchange and other | **—** | **(1,491)** | **—** | **—** | **(688)** | **(6,132)** | **(8,311)** | **—** | **(8,311)** |
| **March 31, 2026** | **996,352** | **137,003** | **426,362** | **560,648** | **326,116** | **159,321** | **2,605,802** | **260,536** | **2,866,338** |
| **Accumulated depreciation** | | | | | | | | | |
| March 31, 2025 | **218,534** | **19,830** | **49,432** | **—** | **94,880** | **23,099** | **405,775** | **25,299** | **431,074** |
| Depreciation | **102,192** | **6,034** | **21,021** | **—** | **8,879** | **9,533** | **147,659** | **22,471** | **170,130** |
| Disposals & lease termination | **(54,888)** | **—** | **—** | **—** | **(223)** | **—** | **(55,111)** | **(1,380)** | **(56,491)** |
| Foreign exchange and other | **—** | **(480)** | **—** | **—** | **—** | **—** | **(480)** | **—** | **(480)** |
| **March 31, 2026** | **265,838** | **25,384** | **70,453** | **—** | **103,536** | **32,632** | **497,843** | **46,390** | **544,233** |
| **Net book value - March 31, 2026** | **730,514** | **111,619** | **355,909** | **560,648** | **222,580** | **126,689** | **2,107,959** | **214,146** | **2,322,105** |

| | Mining and Processing Equipment | Locomotives, Railcars and Rails (i) | Tailings Dikes | Assets under Construction (ii) | Mining Development and Stripping Asset | Asset Rehabilitation Obligation and Other | Subtotal | Right-of-use Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| March 31, 2024 | 880,602 | 64,797 | 285,458 | 153,508 | 155,916 | 124,854 | 1,665,135 | 200,366 | 1,865,501 |
| Additions | 66,854 | 69,764 | — | 377,257 | 116,895 | 2,024 | 632,794 | 25,315 | 658,109 |
| Disposals and lease terminations | (37,353) | — | (460) | — | (305) | (1,466) | (39,584) | (11,591) | (51,175) |
| Transfers | 58,343 | — | 73,060 | (164,889) | 3,162 | 30,324 | — | — | — |
| Foreign exchange and other | — | 2,817 | — | — | 422 | 1,806 | 5,045 | — | 5,045 |
| March 31, 2025 | 968,446 | 137,378 | 358,058 | 365,876 | 276,090 | 157,542 | 2,263,390 | 214,090 | 2,477,480 |
| **Accumulated depreciation** | | | | | | | | | |
| March 31, 2024 | 159,586 | 15,013 | 33,943 | — | 74,754 | 15,999 | 299,295 | 20,245 | 319,540 |
| Depreciation | 92,532 | 3,933 | 15,949 | — | 20,244 | 7,410 | 140,068 | 15,682 | 155,750 |
| Disposals and lease terminations | (33,584) | — | (460) | — | (305) | (123) | (34,472) | (10,628) | (45,100) |
| Transfers | — | — | — | — | 187 | (187) | — | — | — |
| Foreign exchange and other | — | 884 | — | — | — | — | 884 | — | 884 |
| March 31, 2025 | 218,534 | 19,830 | 49,432 | — | 94,880 | 23,099 | 405,775 | 25,299 | 431,074 |
| Net book value - March 31, 2025 | 749,912 | 117,548 | 308,626 | 365,876 | 181,210 | 134,443 | 1,857,615 | 188,791 | 2,046,406 |

(i) Certain of the Company's railcars are subject to a rental agreement. From October 2025 to March 2026, the parties agreed to temporarily suspend the railcar operating lease contract. As a result, as at March 31, 2026, the Company had no leased railcars (March 31, 2025: 240 railcars were leased with a net book value of $40,865). Rental income is included in Other income in the consolidated statements of income.

(ii) For the year ended March 31, 2026, the amount of borrowing costs capitalized during the development period of the DRPF Project was $31,213 (year ended March 31, 2025: $16,683). Borrowing costs consisted of interest expense and amortization of transaction costs on the long-term debt. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended March 31, 2026, was 8.0% (year ended March 31, 2025: 7.5%).

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## 10. Property, Plant and Equipment (continued)

Right-of-use assets consist of the following:

| | Building | Transshipment Infrastructure | Mining and Processing Equipment | Locomotives, Railcars and Rails | Other | Total |
|---|---|---|---|---|---|---|
| March 31, 2025 | **8,472** | **90,446** | **21,089** | **66,622** | **2,162** | **188,791** |
| Additions | **2,929** | **—** | **34,397** | **—** | **—** | **37,326** |
| Lease modifications | **382** | **—** | **10,118** | **—** | **—** | **10,500** |
| Depreciation | **(739)** | **(5,682)** | **(11,643)** | **(3,510)** | **(897)** | **(22,471)** |
| **March 31, 2026** | **11,044** | **84,764** | **53,961** | **63,112** | **1,265** | **214,146** |

| | Building | Transshipment Infrastructure | Mining and Processing Equipment | Locomotives, Railcars and Rails | Other | Total |
|---|---|---|---|---|---|---|
| March 31, 2024 | 8,249 | 95,701 | 4,214 | 70,112 | 1,845 | 180,121 |
| Additions | 869 | — | 23,243 | — | 1,203 | 25,315 |
| Lease termination | — | — | (963) | — | — | (963) |
| Depreciation | (646) | (5,255) | (5,405) | (3,490) | (886) | (15,682) |
| March 31, 2025 | 8,472 | 90,446 | 21,089 | 66,622 | 2,162 | 188,791 |

Refer to note 15 — Lease Liabilities for more details.

## 11. Exploration and Evaluation Assets

| | Labrador Trough | Newfoundland | Total |
|---|---|---|---|
| March 31, 2025 | **141,742** | **6,287** | **148,029** |
| Additions | **16,280** | **1,315** | **17,595** |
| Refundable expenditures (i) | **11,451** | **—** | **11,451** |
| Contribution to a joint venture (i) | **(78,705)** | **—** | **(78,705)** |
| **March 31, 2026** | **90,768** | **7,602** | **98,370** |

| | Labrador Trough | Newfoundland | Total |
|---|---|---|---|
| March 31, 2024 | 127,275 | 4,552 | 131,827 |
| Additions | 25,918 | 1,735 | 27,653 |
| Refundable expenditures (i) | (11,451) | — | (11,451) |
| March 31, 2025 | 141,742 | 6,287 | 148,029 |

(i) As at March 31, 2025, the Company recognized an amount of $11,451 as a reduction of exploration and evaluation assets for the Kami Project with a corresponding receivable, representing the Partners' obligation to fund 49% of the feasibility study expenditures incurred to date by the Company. On September 29, 2025, the Company transferred to the Kami Partnership the beneficial ownership of all the exploration and evaluation assets previously capitalized for the Kami Project, including the feasibility study expenditures. Refer to note 3 — Kami Iron Mine Partnership.

Exploration and evaluation assets mainly comprise acquisition of mining rights and exploration and evaluation expenditures which typically include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological, geochemical and geophysical studies. Exploration and evaluation assets also include the costs of activities related to evaluating the technical feasibility and commercial viability of extracting mineral resources.

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## 12. Other Non-Current Assets

| | Notes | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Joint venture's contribution note | **29** | **55,446** | — |
| Embedded derivative asset | **26** | **18,868** | — |
| Transaction costs related to the revolving facility (i) | | **3,559** | 5,692 |
| Other | | **854** | 850 |
| | | **78,727** | 6,542 |

(i) Transaction costs are amortized on a straight-line basis over the term of the revolving facility.

## 13. Accounts Payable and Other

| | Notes | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Trade payables and accrued liabilities | | **197,659** | 232,944 |
| Wages and benefits | | **38,683** | 39,456 |
| Cash-settled share-based payment liability | **17** | **7,385** | 3,544 |
| Current portion of lease liabilities | **15** | **23,970** | 13,716 |
| | | **267,697** | 289,660 |

For information about the Company's exposure to liquidity risk, refer to note 26 — Financial Instruments.

## 14. Long-Term Debt

| | Interest Rate (i) | Maturity | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|
| Senior Unsecured Notes | 7.875 % | July 15, 2032 | **694,952** | — |
| Term Loan | SOFR + 2.25% to 3.25% | November 29, 2028 | **—** | 328,560 |
| Revolving Facility | SOFR + 2.00% to 3.00% | November 29, 2027 | **—** | 71,880 |
| IQ Loan | 3.70% | April 1, 2031 | **40,758** | 45,798 |
| FTQ Loan | 7.75% | May 21, 2028 | **74,373** | 74,095 |
| CAT Financing (ii) | SOFR + 2.35% to 3.25% | April 2026 to October 2030 | **88,814** | 117,053 |
| Railcars Loan | 6.66% and 6.57% | November 22 and December 4, 2034 | **63,866** | 69,915 |
| | | | **962,763** | 707,301 |
| Less current portion | | | **(40,627)** | (40,725) |
| | | | **922,136** | 666,576 |

(i) The interest rate of the Senior Credit Facilities and the CAT Financing is based on Secured Overnight Financing Rate ("SOFR"), plus a credit spread adjustment and a financial margin. For the Senior Credit Facilities, the financial margin fluctuates depending on the net debt to EBITDA ratio.

(ii) The CAT Financing matures between 3 and 6 years depending on the equipment.

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Face value of long-term debt | **971,063** | 717,967 |
| Unamortized embedded derivative prepayment options | **10,592** | — |
| Unamortized transaction costs | **(18,892)** | (10,666) |
| **Long-term debt, net of derivative and transaction costs** | **962,763** | 707,301 |

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## 14. Long-Term Debt (continued)

The Senior Credit Facilities, FTQ Loan and the CAT Financing are subject to operational and financial covenants, all of which have been met as at March 31, 2026. The undrawn portion of the Senior Credit Facilities and the CAT Financing is subject to standby commitment fees varying from 0.50% to 0.75%.

The United States ("US") amounts stated below are expressed in thousands of US dollars.

***Senior Unsecured Notes***

On July 2, 2025, the Company issued $681,100 (US$500,000) senior unsecured notes (the "Notes"). Interest is payable semi-annually, on January 15 and July 15 of each year. The Notes include various prepayment options, in whole or in part, at different times, by paying premiums at decreasing rates depending on the term of the Notes. At any time after July 15, 2030, the Notes may be repaid at 100% of the principal. The Notes were bifurcated into a debt component and an embedded derivative for prepayment features. The embedded derivative asset was initially estimated at $11,854 and presented in Other non-current assets in the consolidated statements of financial position with a corresponding adjustment recorded in Long-term debt. Refer to note 12 — Other Non-Current Assets.

The Notes are guaranteed on an unsecured basis by certain of the Company's subsidiaries. The Company is subject to certain restrictions on asset sales, indebtedness, distributions and transactions with affiliates. There are no maintenance covenants with respect to the Company's financial performance. During the year ended March 31, 2026, the Company incurred transaction costs of $14,329 related to the issuance of the Notes, which were presented against Long-term debt. As at March 31, 2026, the outstanding balance was $696,950 (US$500,000).

***Senior Credit Facilities***

On November 29, 2023, the Company completed a US$230,000 five-year term loan (the "Term Loan") with a syndicate of lenders and extended the maturity of its existing US$400,000 general purpose revolving facility to November 2027 (the "Revolving Facility" and collectively the "Senior Credit Facilities").

During the year ended March 31, 2026, the Company drew $76,004 (US$55,000) on the Revolving Facility (year ended March 31, 2025: $70,210 (US$50,000)). On July 2, 2025, the Company used the proceeds of the Notes to repay its $313,307 (US$230,000) Term Loan and $143,031 (US$105,000) Revolving Facility outstanding balance. This transaction resulted in the Term Loan extinguishment, leading to the recognition of $1,908 unamortized transaction costs, within Net finance costs in the consolidated statements of income. The Revolving Facility remains fully available and, as at March 31, 2026, the Company had $41,900 letters of credit issued under the $557,500 (US$400,000) Revolving Facility.

Collateral is comprised of all of the present and future undertakings, properties and assets of QIO and Lac Bloom Railcars Corporation Inc. The Company guaranteed all the obligations of QIO and Lac Bloom Railcars Corporation Inc. and pledged all of the shares it holds in QIO and Lac Bloom Railcars Corporation Inc.

For the year ended March 31, 2026, the weighted average interest rate was 7.21% (year ended March 31, 2025: 7.40%).

***IQ Loan***

On July 21, 2021, QIO entered into an unsecured loan agreement with Investissement Québec (the "IQ Loan") to finance the Company's share of the increase in transshipment capacity by SFP Pointe-Noire for an amount up to $70,000. The repayment commenced on April 1, 2022, in ten equal annual instalments of the principal balance outstanding. The agreement comprises an option to prepay the loan at any time without penalty.

The IQ Loan was determined to be at a below-market rate. The fair value of the total advances of $70,000 was estimated at $59,386 and was determined based on the prevailing market interest rate for a similar instrument at the time the advances were made. The residual amount of $10,614 was recognized as a government grant and presented as Deferred grant in the consolidated statements of financial position. The deferred grant is amortized on a straight-line basis over the loan maturity starting in September 2023 when SFP Pointe-Noire's new infrastructure became available for use. The remaining deferred grant as at March 31, 2026 totalled $7,037 (March 31, 2025: $8,573).

During the year ended March 31, 2026, the Company repaid $6,400 (year ended March 31, 2025: $6,400), resulting in a balance of $44,800 as at March 31, 2026 (March 31, 2025: $51,200).

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## 14. Long-Term Debt (continued)

***FTQ Loan***

On May 21, 2021, QIO entered into an unsecured loan agreement with Fonds de Solidarité des Travailleurs du Québec (the "FTQ Loan") to fund the completion of the Bloom Lake expansion project and for general purposes thereafter for an amount up to $75,000. The FTQ Loan includes an option to prepay in whole or in part at any time, but not prior to the second anniversary, by paying a premium that varies from 2% to 6% based on the prepayment date. The outstanding balance was $75,000 as at March 31, 2026 (March 31, 2025: $75,000).

***CAT Financing***

On April 1, 2021, the Company signed an agreement with Caterpillar Financial Services Limited (the "CAT Financing") to finance mining equipment required for the Bloom Lake expansion for a facility of up to US$75,000 and available until March 31, 2023. Over the years, the facility was increased by US$73,000 and the availability period extended to July 2025. Transaction costs of $314 were incurred in the year ended March 31, 2025, for amendments to the agreement.

The CAT Financing includes a prepayment option of the loan without penalty at any time and is collateralized by all of the financed equipment. The carrying value of the financed equipment was $75,532 as at March 31, 2026 (March 31, 2025: $98,849).

During the year ended March 31, 2026, the Company drew $8,496 (US$6,228) and repaid $33,695 (US$24,283) (year ended March 31, 2025: drawdown of $47,899 and repayment of $43,586), resulting in a balance of $89,886 (US$64,485) as at March 31, 2026 (March 31, 2025: $118,660 (US$82,540)).

For the year ended March 31, 2026, the weighted average interest rate was 7.10% (year ended March 31, 2025: 7.98%).

***Railcars Loan***

On November 1, 2024, the Company signed a loan agreement (the "Railcars Loan") to finance the purchase of 400 railcars for a facility of $69,842 (US$49,897). The Railcars Loan consists of two equal equipment notes payable in 120 progressive monthly installments, with final payments of US$5,872 and US$5,861 at their respective maturities. Transaction costs of $715 were incurred in the year ended March 31, 2025.

The Railcars Loan includes a prepayment option in whole at any time, but not prior to the second anniversary, by paying a premium of 1% of the amount prepaid for each remaining year of the loan. The Railcars Loan is collateralized by all the financed railcars. The carrying value of the financed railcars was $65,104 as at March 31, 2026 (March 31, 2025: $68,109).

During the year ended March 31, 2026, the Company repaid $3,972 (US$2,873) (year ended March 31, 2025: $1,150), resulting in a balance of $64,427 (US$46,221) as at March 31, 2026 (March 31, 2025: $70,579 (US$49,094)).

## 15. Lease Liabilities

| | | Year Ended March 31, | |
|---|---|---|---|
| | **Notes** | **2026** | 2025 |
| **Opening balance** | | **92,335** | 76,978 |
| New lease liabilities | | **33,731** | 21,670 |
| Capital payments | | **(22,593)** | (13,639) |
| Interest expense | **22** | **6,012** | 4,370 |
| Lease modifications and termination | | **10,500** | (833) |
| Foreign exchange loss (gain) | | **(2,224)** | 3,789 |
| | | **117,761** | 92,335 |
| Less current portion classified in "Accounts payable and other" | **13** | **(23,970)** | (13,716) |
| **Ending balance** | | **93,791** | 78,619 |

During the year ended March 31, 2026, new lease liabilities were discounted using an average incremental borrowing rate of 6.4% (year ended March 31, 2025: 7.1%).

New lease liabilities for the year ended March 31, 2026, differ from the additions of right-of-use assets presented in note 10 — Property, Plant and Equipment, as they excluded $3,595 of deposits paid in advance to secure the delivery of equipment (year ended March 31, 2025: $3,645).



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## 15. Lease Liabilities (continued)

Lease liabilities include a master lease agreement for 450 railcars for a term of 20 years. This railcar lease liability is guaranteed by Champion, and QIO is not subject to any financial covenants under the master lease agreement and cannot assign or sublease any railcars.

The expenses related to short-term leases, low-value leases and variable leases were $424, $2,108 and $5,970, respectively, for the year ended March 31, 2026 (year ended March 31, 2025: $456, $1,659 and $7,253, respectively). The total cash outflow for leases was $31,095 for the year ended March 31, 2026 (year ended March 31, 2025: $23,007).

## 16. Provisions

| | Note | Rehabilitation obligation | Compensation plans' obligation | Total |
|---|---|---|---|---|
| March 31, 2025 | | **89,711** | **54,319** | **144,030** |
| Reassessment of the obligation | | **3,489** | **(3,473)** | **16** |
| Utilization | | **—** | **(2,360)** | **(2,360)** |
| Accretion expense | **22** | **1,425** | **1,636** | **3,061** |
| Effect of changes in discount rates | | **(6,132)** | **(688)** | **(6,820)** |
| **March 31, 2026** | | **88,493** | **49,434** | **137,927** |
| Less current portion | | **—** | **(6,054)** | **(6,054)** |
| | | **88,493** | **43,380** | **131,873** |

| | Note | Rehabilitation obligation | Compensation plans' obligation | Total |
|---|---|---|---|---|
| March 31, 2024 | | 84,593 | — | 84,593 |
| Additions to the obligation | | 2,020 | 53,710 | 55,730 |
| Utilization | | — | (238) | (238) |
| Accretion expense | 22 | 1,292 | 425 | 1,717 |
| Effect of changes in discount rates | | 1,806 | 422 | 2,228 |
| March 31, 2025 | | 89,711 | 54,319 | 144,030 |
| Less current portion | | — | (2,402) | (2,402) |
| | | 89,711 | 51,917 | 141,628 |

The estimate of the rehabilitation obligation includes, but is not limited to, dismantling and removing infrastructure and operating facilities as well as restoring water ponds and vegetating affected areas. The accretion of the rehabilitation obligation was measured as the amount of the expenditure required to settle the present obligation at the end of the reporting date, discounted by the number of years between the reporting date and the rehabilitation date using a real discount rate of 1.83% as at March 31, 2026 (March 31, 2025: 1.37%). The undiscounted amount related to the rehabilitation obligation was estimated at $114,092 as at March 31, 2026 (March 31, 2025: $110,022).

The compensation plans' obligation includes the estimated investments required for each project based on other projects of similar nature and scale. The provision was discounted based on a long-term realization schedule using a nominal discount rate of 3.46% as at March 31, 2026 (March 31, 2025: 2.97%), as the estimates considered annual inflation. The undiscounted amount related to the obligation was estimated at $54,871 as at March 31, 2026 (March 31, 2025: $59,583).

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## 17. Share Capital and Reserves

### a) Authorized

The Company's share capital consists of authorized:

- Unlimited number of ordinary shares, without par value; and
- Unlimited number of preferred shares, without par value, issuable in series.

### b) Ordinary Shares

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| | (in thousands) | (in thousands) |
| **Opening balance** | **518,251** | 518,071 |
| Shares issued for exercise of warrants | **15,000** | — |
| Shares issued for exercise of options — incentive plan | **—** | 150 |
| Shares issued for release of performance share units — incentive plan | **—** | 30 |
| **Ending balance** | **533,251** | 518,251 |

### c) Dividends

The following table details the dividends declared and paid on the Company's ordinary shares:

| Results Period | Montréal Declaration Date | Payment Date | Amount per Share | Year Ended March 31, 2026 | 2025 |
|---|---|---|---|---|---|
| Final — Mar-25 | May 29, 2025 | July 10, 2025 | 0.10 | **53,325** | — |
| Interim — Sep-25 | October 29, 2025 | November 27, 2025 | 0.10 | **53,325** | — |
| Final — Mar-24 | May 30, 2024 | July 3, 2024 | 0.10 | **—** | 51,810 |
| Interim — Sep-24 | October 30, 2024 | November 28, 2024 | 0.10 | **—** | 51,825 |
| | | | | **106,650** | 103,635 |

### d) Share-Based Payments

The Company has various share-based compensation plans for eligible employees and directors. The objective of the Omnibus incentive plan is to enhance the Company's ability to attract and retain talented employees and provide alignment of interests between such employees and the shareholders of the Company. Under the Omnibus incentive plan, the Company may grant stock option awards, RSU awards, PSU awards and DSU awards. If and when cash dividends are declared, the holders of RSUs, PSUs and DSUs are entitled to receive dividend equivalents.

Stock option and RSU awards vest annually in three equal tranches from the date of grant. PSU awards vest i) at the end of three years from the date of grant or ii) according to the date of achievement, when the PSUs are specific to a project. Vesting is subject to key performance indicators established by the Board. DSU awards vest at the date of grant. The cash consideration for awards settled through cash payment is included in Accounts payable and other under Changes in non-cash operating working capital in the consolidated statements of cash flows.

As at March 31, 2026, the Company is authorized to issue 53,325,000 stock options and share rights (March 31, 2025: 51,825,000) equal to 10% (March 31, 2025: 10%) of the issued and outstanding ordinary shares for issuance under the Omnibus incentive plan.

The following table summarizes the share-based payment expense:

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| RSU | **5,314** | 1,947 |
| PSU | **5,106** | 3,449 |
| DSU | **1,224** | 1 |
| | **11,644** | 5,397 |

For the year ended March 31, 2026, the amount recognized as share-based payment expense related to cash-settled awards was $11,644 (year ended March 31, 2025: share-based payment expense of $5,396 related to cash-settled awards and $1 related to equity-settled awards).

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## 17. Share Capital and Reserves (continued)

**d) Share-Based Payments** (continued)

The following table summarizes the carrying amount of the Company's cash-settled share-based payment liability in the consolidated statements of financial position for RSUs, PSUs and DSUs.

| | Note | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Accounts payable and other | 13 | **7,385** | 3,544 |
| Other long-term liabilities | | **16,193** | 11,126 |
| | | **23,578** | 14,670 |

**e) Stock Options**

As at March 31, 2026, the Company had no stock options outstanding (March 31, 2025: nil). During the year ended March 31, 2026, no activities occurred in connection with stock options (year ended March 31, 2025, exercise of 150,000 stock options at a weighted average share price, at the exercise date, of $5.79, equivalent to a cash consideration of $750).

**f) Restricted Share Units**

The following table details the RSU activities of the share incentive plan:

| | Year Ended March 31, | | | |
|---|---|---|---|---|
| | 2026 | | 2025 | |
| | Number of RSUs | Weighted Average Share Price | Number of RSUs | Weighted Average Share Price |
| | (in thousands) | | (in thousands) | |
| **Opening balance** | **2,007** | **5.67** | 1,510 | 5.62 |
| Granted | **1,299** | **3.84** | 763 | 5.94 |
| Dividend equivalents | **129** | **4.36** | 68 | 5.79 |
| Settled through cash payment | **(467)** | **6.15** | (291) | 6.16 |
| Forfeited | **(265)** | **4.77** | (43) | 5.54 |
| **Ending balance** | **2,703** | **4.73** | 2,007 | 5.67 |
| **Vested - end of the year** | **734** | **5.34** | 567 | 5.69 |

During the year ended March 31, 2026, 1,299,000 RSUs were granted to eligible employees (year ended March 31, 2025: 763,000 RSUs).

During the year ended March 31, 2026, 467,000 RSUs were settled in exchange for cash consideration based on a weighted average share price, at the settlement date, of $3.94 (year ended March 31, 2025: 291,000 RSUs based on a weighted average share price, at the settlement date, of $6.05).

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## 17. Share Capital and Reserves (continued)

**g) Performance Share Units**

The Company assesses each reporting period whether performance criteria of share-based units will be achieved in measuring share-based payments. The actual share-based payment and the period over which the expense is being recognized may vary from the estimate.

The following table details the PSU activities of the share incentive plan:

| | Year Ended March 31, | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **Number of PSUs** | **Weighted Average Share Price** | **Number of PSUs** | **Weighted Average Share Price** |
| | (in thousands) | | (in thousands) | |
| **Opening balance** | **2,799** | **5.74** | 2,212 | 5.74 |
| Granted | **1,949** | **3.84** | 1,145 | 5.94 |
| Dividend equivalents | **189** | **4.37** | 96 | 5.79 |
| Settled through cash payment | **(485)** | **6.78** | (526) | 6.22 |
| Forfeited | **(403)** | **4.77** | (64) | 5.53 |
| Released through the issuance of ordinary shares | **—** | **—** | (30) | 6.16 |
| Withheld as payment of withholding taxes | **—** | **—** | (34) | 6.16 |
| **Ending balance** | **4,049** | **4.73** | 2,799 | 5.74 |
| **Vested - end of the year** | **—** | **—** | — | — |

During the year ended March 31, 2026, 1,949,000 PSUs were granted to eligible employees (year ended March 31, 2025: 1,145,000 PSUs) and no PSUs were released through the issuance of ordinary shares (year ended March 31, 2025: 30,000 PSUs at a weighted average share price, at the release date, of $6.46 and related withholding taxes paid of $218 resulting in the Company not issuing an additional 34,000 PSUs).

During the year ended March 31, 2026, 485,000 PSUs were settled in exchange for cash consideration based on a weighted average share price, at the settlement date, of $3.84 (year ended March 31, 2025: 526,000 PSUs based on a weighted average share price, at the settlement date, of $6.13).

**h) Deferred Share Units**

The following table details the DSU activities of the share incentive plan:

| | Year Ended March 31, | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **Number of DSUs** | **Weighted Average Share Price** | **Number of DSUs** | **Weighted Average Share Price** |
| | (in thousands) | | (in thousands) | |
| **Opening balance** | **492** | **5.00** | 336 | 4.72 |
| Granted | **148** | **5.29** | 143 | 5.56 |
| Dividend equivalents | **23** | **4.56** | 13 | 5.94 |
| **Ending balance** | **663** | **5.05** | 492 | 5.00 |
| **Vested - end of the period** | **663** | **5.05** | 492 | 5.00 |

During the year ended March 31, 2026, 148,000 DSUs were granted to directors (year ended March 31, 2025: 143,000 DSUs).

**i) Warrants**

As at March 31, 2026, the Company had no warrants outstanding (March 31, 2025: 15,000,000 warrants outstanding and exercisable). During the year ended March 31, 2026, the 15,000,000 warrants were exercised at an exercise price of $2.45, resulting in total proceeds of $36,750 (year ended March 31, 2025: no activities recorded in connection with warrants).

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## 18. Revenues

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Iron ore revenue | **1,751,274** | 1,613,597 |
| Provisional pricing adjustments | **18,457** | (7,018) |
| | **1,769,731** | 1,606,579 |

Quarterly provisional pricing adjustments represent subsequent changes to revenue attributable to iron ore concentrate sold in prior quarters based on the final settlement price. Annual provisional pricing adjustments represent the sum of the quarterly provisional pricing adjustments. As at March 31, 2026, 2.3 million tonnes of iron ore sales remained subject to provisional pricing, with the final price to be determined in the subsequent reporting periods (March 31, 2025: 2.7 million tonnes).

## 19. Cost of Sales

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Mining and processing costs | **732,798** | 721,785 |
| Change in iron ore concentrate inventories | **75,342** | (9,378) |
| Land transportation and port handling | **372,683** | 343,836 |
| | **1,180,823** | 1,056,243 |

For the year ended March 31, 2026, expenses for defined contribution plans amounted to $17,542, of which $16,004 were recorded in Cost of sales (year ended March 31, 2025: $17,115, including $15,169 in Cost of sales) and are presented in Mining and processing costs.

## 20. General and Administrative Expenses

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Salaries, benefits and other employee expenses | **24,205** | 23,936 |
| Insurance | **9,260** | 9,252 |
| Other expenses | **21,590** | 15,546 |
| | **55,055** | 48,734 |

## 21. Sustainability and Other Community Expenses

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Property and school taxes | **8,780** | 8,201 |
| Impact and benefits agreement | **8,253** | 7,591 |
| Salaries, benefits and other employee expenses | **1,764** | 1,210 |
| Other expenses | **1,141** | 1,560 |
| | **19,938** | 18,562 |

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## 22. Net Finance Costs

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Interest expense on long-term debt | **36,694** | 28,083 |
| Amortization of transaction costs and accretion of long-term debt | **6,530** | 4,648 |
| Standby commitment fees on long-term debt | **2,893** | 2,792 |
| Interest expense on lease liabilities | **6,012** | 4,370 |
| Realized and unrealized foreign exchange loss (gain) | **(10,979)** | 18,335 |
| Amortization of deferred grant | **(1,536)** | (1,224) |
| Interest income | **(9,178)** | (9,618) |
| Accretion expense of provisions | **3,061** | 1,717 |
| Other finance costs | **724** | 8,436 |
| | **34,221** | 57,539 |

During the development period of the DRPF Project, borrowing costs are capitalized. Refer to note 10 — Property, Plant and Equipment.

Amortization of transaction costs and accretion of long-term debt for the year ended March 31, 2026, include $1,908 of unamortized transaction costs at the Term Loan extinguishment date. Refer to note 14 — Long-Term Debt.

## 23. Other Income

| | | Year Ended March 31, | |
|---|---|---|---|
| | **Notes** | **2026** | 2025 |
| Rental income (i) | | **2,514** | 1,421 |
| Change in fair value of non-current investments | **26** | **(3,136)** | 884 |
| Change in fair value of derivative assets | **26** | **8,810** | — |
| Management services to a joint venture | **29** | **4,200** | — |
| Net loss on non-financial assets | | **(2,885)** | (130) |
| | | **9,503** | 2,175 |

(i) Rental income arises from certain owned railcars. The lease was classified as an operating lease. Future undiscounted minimum lease payments to be received under the railcars rental agreement are $1,351 over the next twelve months.

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## 24. Income and Mining Taxes

### a) Net Deferred Tax Liabilities

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Deferred tax assets | **81,680** | 90,263 |
| Deferred income tax liability | **(355,581)** | (303,161) |
| Deferred mining tax liability | **(126,582)** | (112,207) |
| | **(482,163)** | (415,368) |
| **Net deferred tax liabilities** | **(400,483)** | (325,105) |

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

| Deferred Tax Assets | Operating losses carried forward | Provisions | Mining tax deduction and other | Total |
|---|---|---|---|---|
| As at March 31, 2024 | 12,982 | 22,417 | 27,249 | 62,648 |
| Credited to statements of income | 7,318 | 15,751 | 4,546 | 27,615 |
| **As at March 31, 2025** | **20,300** | **38,168** | **31,795** | **90,263** |
| Credited (charged) to statements of income | (9,973) | (1,617) | 3,007 | (8,583) |
| **As at March 31, 2026** | **10,327** | **36,551** | **34,802** | **81,680** |

| Deferred Tax Liabilities | Property, plant and equipment | Mining tax | Exploration and evaluation assets | Other | Total |
|---|---|---|---|---|---|
| As at March 31, 2024 | 236,484 | 94,264 | 8,091 | 4,951 | 343,790 |
| Charged to statements of income | 52,300 | 17,943 | 1,186 | 149 | 71,578 |
| **As at March 31, 2025** | **288,784** | **112,207** | **9,277** | **5,100** | **415,368** |
| Charged (credited) to statements of income | 51,986 | 14,375 | 961 | (527) | 66,795 |
| **As at March 31, 2026** | **340,770** | **126,582** | **10,238** | **4,573** | **482,163** |

### b) Deferred Tax Assets and Liabilities Not Recognized

As at March 31, 2026, the Company had $38,076 (March 31, 2025: $38,100) of net deductible temporary differences, other than Canadian exploration expenses, cumulative Canadian development expenses and tax losses, for which no deferred tax assets have been recognized.

As at March 31, 2026, the Company had $1,327,624 (March 31, 2025: $1,261,432) of taxable temporary differences related to investments in subsidiaries for which a deferred tax liability was partially recorded for an amount of $2,750 (March 31, 2025: $2,750). The deferred tax liabilities related to the remaining balance were not recognized as the Company controls the decisions affecting the realization of such liabilities and does not expect this temporary difference to be reversed in the foreseeable future. Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to income taxes and/or withholding taxes.

### c) Losses and Other Items Carryforward

As at March 31, 2026, the Company had $38,763 (March 31, 2025: $31,900) of operating losses carried forward that were not recognized and that can be carried forward indefinitely against future taxable income. As at March 31, 2026, the Company also had $61,284 (March 31, 2025: $95,551) of operating losses that can be carried forward against future taxable income and that will expire from 2031 to 2046. Out of those losses, $21,908 (March 31, 2025: $17,103) were not recognized.

As at March 31, 2026, the Company had $17,857 (March 31, 2025: $18,199) of net capital losses that can be carried forward indefinitely against future capital gains. Out of those capital losses, $17,857 (March 31, 2025: $18,199) were not recognized.

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## 24. Income and Mining Taxes (continued)

**c) Losses and Other Items Carryforward** (continued)

As at March 31, 2026, the Company had cumulative Canadian exploration expenses of $48,016 (March 31, 2025: $43,553) and cumulative Canadian development expenses of $55,845 (March 31, 2025: $35,334) which may be carried forward indefinitely to reduce taxable income in future years. Out of those expenses, no amount was recognized.

As at March 31, 2026, the Company had $1,778 (March 31, 2025: $1,778) of unrecognized investment tax credit that can be carried forward to offset future income tax payable and that will expire from 2033 to 2035.

**d) Tax Expense**

The tax expense components are as follows:

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| **Current income and mining taxes** | | |
| Current income tax on profits for the year | **8,745** | 46,244 |
| Current mining tax on profits for the year | **31,960** | 32,895 |
| | **40,705** | 79,139 |
| **Deferred income and mining taxes** | | |
| Deferred income tax for the year | **59,130** | 26,020 |
| Deferred mining tax for the year | **16,248** | 17,943 |
| | **75,378** | 43,963 |
| **Total income and mining taxes expense** | **116,083** | 123,102 |

The Company's income and mining taxes expense differs from the amount that would have been calculated by applying the Canadian statutory income tax rate as a result of the following:

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| **Income before income and mining taxes** | **284,819** | 265,147 |
| Canadian combined federal and provincial tax rate | **26.50 %** | 26.50 % |
| Expected income tax expense calculated at Canadian combined tax rate | **75,477** | 70,264 |
| Increase (decrease) resulting from the tax effects of: | | |
| Mining tax, net of tax benefit | **34,411** | 37,294 |
| Other taxes included in income tax expense, net of tax benefits | **5,657** | 5,619 |
| Expenses (income) not deductible (taxable) for tax purposes | **242** | 3,575 |
| Unrecorded tax benefits | **1,607** | 5,450 |
| Non-deductible capital losses (gains) | **(45)** | 298 |
| Difference in tax rate | **(600)** | (192) |
| Adjustment in respect of prior years | **(234)** | 794 |
| Other | **(432)** | — |
| **Income and mining taxes expense** | **116,083** | **123,102** |
| **Effective tax rate** | **40.76 %** | **46.43 %** |

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## 24. Income and Mining Taxes (continued)

**e) Income and Mining Taxes Payable (Receivable)**

As at March 31, 2026, the Company reported income and mining taxes receivable of $13,937 and payable of $4,366, resulting in a net receivable balance of $9,571 (March 31, 2025: net payable balance of $22,722). The reconciliation is presented as follows:

| | Mining Tax | Income Tax | Total |
|---|---|---|---|
| As at March 31, 2024 | 16,725 | 23,507 | 40,232 |
| Current tax on profit for the year | 32,895 | 46,244 | 79,139 |
| Tax paid during the year | (34,588) | (67,210) | (101,798) |
| Reimbursement received during the year | 51 | 5,098 | 5,149 |
| **As at March 31, 2025** | **15,083** | **7,639** | **22,722** |
| Current tax on profit for the year | 31,960 | 8,745 | 40,705 |
| Tax paid during the year | (42,694) | (30,304) | (72,998) |
| **As at March 31, 2026** | **4,349** | **(13,920)** | **(9,571)** |

## 25. Earnings per Share

Earnings per share are calculated by dividing the net income by the weighted average number of shares outstanding during the period.

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Net income | **168,736** | 142,045 |
| | (in thousands) | (in thousands) |
| Weighted average number of common shares outstanding - Basic | **530,621** | 518,173 |
| Dilutive share options, warrants and equity settled awards | **2,614** | 9,486 |
| Weighted average number of outstanding shares - Diluted | **533,235** | 527,659 |
| | (in dollars) | (in dollars) |
| Basic earnings per share | **0.32** | 0.27 |
| Diluted earnings per share | **0.32** | 0.27 |

On February 4, 2026, Champion completed a private placement of 26,795,921 uncertificated subscription receipts of the Company to Caisse de dépôt et placement du Québec ("La Caisse"), which will be converted into ordinary shares of Champion upon the acquisition of Rana Gruber. These contingently issuable shares could potentially dilute basic earnings per share in the future, but were not included in the above calculation of diluted earnings per share because they were antidilutive as at March 31, 2026. Refer to note 35 — Subsequent Events.

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## 26. Financial Instruments

### a) Measurement Categories

Financial assets and financial liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the profit or loss or in other comprehensive income. These categories are financial assets and financial liabilities at FVTPL and financial assets and financial liabilities at amortized cost. The following tables show the carrying amounts and the fair value of assets and liabilities for each of these categories:

| As at March 31, 2026 | | Financial Instruments at FVTPL | Financial Instruments at Amortized Cost | Total Carrying Amount | Total Fair Value |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current | | | | | |
| Cash | Level 1 | — | **296,788** | **296,788** | **296,788** |
| Trade receivables | Level 2 | **109,161** | **26,376** | **135,537** | **135,537** |
| Other receivables (excluding sales tax and grant) | Level 2 | **1,795** | **2,743** | **4,538** | **4,538** |
| | | **110,956** | **325,907** | **436,863** | **436,863** |
| Non-current | | | | | |
| Equity investment in a publicly listed entity (included in non-current investments) | Level 1 | **9** | — | **9** | **9** |
| Equity investment in a private entity (included in non-current investments) | Level 3 | **12,937** | — | **12,937** | **12,937** |
| Other non-current financial assets | Level 2 | — | **854** | **854** | **854** |
| Embedded derivative asset | Level 2 | **18,868** | — | **18,868** | **18,868** |
| | | **142,770** | **326,761** | **469,531** | **469,531** |
| **Liabilities** | | | | | |
| Current | | | | | |
| Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability) | Level 2 | — | **236,342** | **236,342** | **236,342** |
| Current portion of long-term debt | Level 2 | — | **40,627** | **40,627** | **40,627** |
| | | — | **276,969** | **276,969** | **276,969** |
| Non-current | | | | | |
| Senior Unsecured Notes (included in long-term debt) | Level 1 | | **694,952** | **694,952** | **725,699** |
| Other long-term debt | Level 2 | — | **227,184** | **227,184** | **227,184** |
| | | — | **1,199,105** | **1,199,105** | **1,229,852** |

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## 26. Financial Instruments (continued)

**a) Measurement Categories** (continued)

| As at March 31, 2025 | | Financial Instruments at FVTPL | Financial Assets at Amortized Cost | Financial Liabilities at Amortized Cost | Total Carrying Amount and Fair Value |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current | | | | | |
| Cash | Level 1 | — | 117,451 | — | 117,451 |
| Trade receivables | Level 2 | 119,345 | 26,112 | — | 145,457 |
| Other receivables (excluding sales tax and grant) | Level 2 | — | 18,125 | — | 18,125 |
| | | 119,345 | 161,688 | — | 281,033 |
| Non-current | | | | | |
| Equity investment in a publicly listed entity (included in non-current investments) | Level 1 | 9 | — | — | 9 |
| Equity investment in a private entity (included in non-current investments) | Level 3 | 15,384 | — | — | 15,384 |
| Other non-current financial assets | Level 2 | — | 850 | — | 850 |
| | | 134,738 | 162,538 | — | 297,276 |
| **Liabilities** | | | | | |
| Current | | | | | |
| Accounts payable and other (excluding the current portion of lease liabilities and cash-settled share-based payment liability) | Level 2 | — | — | 272,400 | 272,400 |
| Current portion of long-term debt | Level 2 | — | — | 40,725 | 40,725 |
| | | — | — | 313,125 | 313,125 |
| Non-current | | | | | |
| Long-term debt | Level 2 | — | — | 666,576 | 666,576 |
| | | — | — | 979,701 | 979,701 |

Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities; this includes cash, short-term investments and restricted cash if any, other receivables, and accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability).

Long-term debt is measured at amortized cost using the effective interest method. Except for the Senior Unsecured Notes, the fair value of long-term debt approximates its carrying amount, given that it is subject to terms and conditions, including variable interest rates, similar to those available to the Company for instruments with comparable terms.

**b) Fair Value Measurement Hierarchy**

Subsequent to initial recognition, the Company uses a fair value hierarchy to categorize the inputs used to measure the financial instruments at fair value grouped into the following levels based on the degree to which the fair value is observable.

- Level 1: Inputs derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs derived from other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2026 (year ended March 31, 2025: nil).

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## 26. Financial Instruments (continued)

**c) Financial Instruments Measured at FVTPL**

***Trade receivables***

The trade receivables are classified as Level 2 in the fair value hierarchy. Their fair values are a recurring measurement. The measurement of the trade receivables is impacted by the Company's provisional pricing arrangements, where the final sale price is determined based on iron ore prices subsequent to the date of the sale. The Company initially recognizes revenues and trade receivables at the contracted provisional price on the shipment date and re-estimates the consideration to be received using forecast iron ore prices at the end of each reporting period. The impact of iron ore price movements until the final settlement is recorded as an adjustment to revenues and trade receivables.

***Equity instruments publicly listed***

Equity instruments publicly listed are classified as Level 1 in the fair value hierarchy. Their fair values are a recurring measurement and are estimated using the closing share price observed on the relevant stock exchange. No fair value adjustment was recorded during the year ended March 31, 2026 (year ended March 31, 2025: nil).

***Equity instruments in private entity***

The Company holds equity instruments in a European-based private entity which collaborates with the Company in industrial trials related to cold pelletizing technologies. The fair value of the equity instruments is a recurring measurement and is classified as Level 3. The determination of fair value is conducted on a quarterly basis and it is based on the entity's financial performance from the latest financial statements as well as enterprise values used in financing, if any. The change in fair value also reflects the foreign exchange gains or losses.

During the year ended March 31, 2026, the Company made an additional investment of $689 as part of a new financing round. As this investment was based on a reduced enterprise value, the Company recognized a decrease in the fair value of the equity instruments, amounting to $3,136 during the year ended March 31, 2026, including changes in exchange rates (year ended March 31, 2025: increase of $884 attributable to change in exchange rates). As at March 31, 2026, the equity instruments totalled $12,937 (March 31, 2025: $15,384).

***Embedded derivative asset***

The Senior Unsecured Notes issued in July 2025 include redemption options accounted for as a separate embedded derivative measured at FVTPL. The fair value of the embedded derivative asset was estimated at $11,854 at inception and was recorded in Other non-current assets in the consolidated statements of financial position with a corresponding adjustment to Long-term debt. The fair value of redemption options was categorized as Level 2 in the fair value hierarchy.

The fair value of the derivative asset was determined using market data such as traded Senior Unsecured Notes price, interest rate curves, volatility assumptions and credit spreads for similar instruments. The derivative asset is measured at fair value on a recurring basis. During the year ended March 31, 2026, the Company recognized a $7,015 increase in the fair value of the derivative asset. As at March 31, 2026, the derivative asset totalled $18,868.

With all other variables held constant, a 5% increase (decrease) in the traded price of the Senior Unsecured Notes would result in an increase (decrease) in the fair value of the embedded derivative asset of $677.

***Foreign exchange hedging derivatives***

During the year ended March 31, 2026, the Company entered into USD/NOK foreign exchange options and forward contract to hedge the variability in cash flows arising from a NOK-denominated acquisition project. The objective of the instruments was to reduce the volatility of future USD cash outflows and improve visibility over the expected settlement price of the contemplated acquisition. As at March 31, 2026, the Company had an outstanding foreign exchange forward contract with a fixed rate of 9.71655, equivalent to a settlement price of approximately US$300 million, excluding the cost of the instrument.

The fair value of the derivative asset was categorized as Level 2 in the fair value hierarchy and was determined by using mark-to-market valuation provided by the Company's banking counterparty, which used market-standard valuation techniques and observable market inputs. The fair value of the derivative asset was recorded in Receivables in the consolidated statements of financial position with a corresponding entry in Other Income in the consolidated statements of income. As at March 31, 2026, the derivative asset totalled $1,795.

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## 26. Financial Instruments (continued)

**c) Financial Instruments Measured at FVTPL** (continued)

The following table shows a breakdown of the changes in fair value recognized on financial instruments per fair value hierarchy.

| | | Year Ended March 31, | |
|---|---|---|---|
| | | **2026** | 2025 |
| **Change in fair value included in Other Income** | | | |
| Unrealized gain (loss) on private equity instrument | Level 3 | **(3,136)** | 884 |
| Unrealized gain on derivative assets | Level 2 | **8,810** | — |
| | | **5,674** | 884 |

**d) Financial Risk Factors**

***Market***

i) Interest rate risk

Interest risk is the risk that the value of assets and liabilities will change when the related interest rates change. The Company is exposed to interest rate risk primarily on its long-term debt bearing interest at variable rates and does not take any specific measures to protect itself against fluctuations in interest rates. With the exception of its long-term debt, the Company's current financial assets and financial liabilities are not significantly exposed to interest rate risk because either they are of a short-term nature or because they are non-interest bearing.

The long-term debt bearing interest at variable rates is subject to interest rates based on SOFR. The following table illustrates a SOFR sensitivity analysis calculating the impact on net income and equity over a 12-month horizon:

| | Year Ended March 31, | |
|---|---|---|
| (in thousands of U.S. dollars) | **2026** | 2025 |
| Increase in net income and equity with a 1% decrease in the SOFR | **645** | 3,625 |
| Decrease in net income and equity with a 1% increase in the SOFR | **(645)** | (3,625) |

ii) Commodity price risk

Commodity price risk arises from fluctuations in market prices of iron ore. The Company is exposed to the commodity price risk, as its iron ore sales are predominantly subject to prevailing market prices. The Company has limited ability to directly influence market prices of iron ore. The Company has sought to establish strategies that mitigate its exposure to iron ore price volatility in the short-term. The strategy of using renowned brokers is aimed at providing some protection against decreases in the iron ore price while maintaining some exposure to pricing upside.

However, most of the Company's iron ore sale contracts are structured using the iron ore price indexes. These are provisionally priced sales volumes for which price finalization is referenced to the relevant index at a future date or the valuation is prescribed in some of the contracts. The estimated consideration in relation to the provisionally priced contracts is marked to market using the forward iron ore price at the end of each reporting period with the impact of the iron ore price movements recorded as an adjustment to revenue.

The following table presents the Company's gross revenue exposure subject to the movements in iron ore prices for the provisionally priced sales volume:

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Dry metric tonnes subject to provisional pricing adjustments | **2,328,900** | 2,689,200 |
| (in thousands of U.S. dollars) | | |
| 10% increase in iron ore prices | **27,990** | 29,863 |
| 10% decrease in iron ore prices | **(27,990)** | (29,863) |

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

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## 26. Financial Instruments (continued)

**d) Financial Risk Factors** (continued)

***Market*** (continued)

iii) Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial performance could be affected by fluctuations in the exchange rates between currencies. The Company is exposed to foreign currency fluctuations on its sales, sea freight costs, and its long-term debt and lease liabilities denominated in U.S. dollars. The Company maintains a cash balance and has trade receivables in U.S. dollars, enabling it to mitigate foreign exchange exposure related to long-term debt balances and lease liabilities denominated in U.S. dollars.

The Company has no hedging contracts in place in the ordinary course of its business and therefore has exposure to the foreign exchange rate fluctuations. The strengthening of the U.S. dollar would positively impact the Company's net income and cash flows while the strengthening of the Canadian dollar would reduce its net income and cash flows.

The following table presents the exposure of the Company's statement of financial position to foreign currency:

| (in thousands of U.S. dollars) | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| **Current assets** | | |
| Cash | **175,952** | 68,604 |
| Trade receivables | **97,236** | 101,180 |
| **Non-current assets** | | |
| Non-current investments | **9,281** | 10,701 |
| **Current liabilities** | | |
| Accounts payable and other | **(31,732)** | (29,044) |
| Current portion of long-term debt | **(24,555)** | (23,877) |
| **Non-current liabilities** | | |
| Lease liabilities | **(44,993)** | (48,515) |
| Long-term debt | **(586,152)** | (387,759) |
| **Total net liabilities in U.S. dollars** | **(404,963)** | (308,710) |
| **Canadian dollar equivalent** | **(564,478)** | (443,801) |

The following table provides a currency risk sensitivity analysis calculating the exposure to exchange rate fluctuations of the Company's net liabilities denominated in U.S. dollars:

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Foreign exchange gain resulting from a 10% depreciation in the U.S. dollar | **56,448** | 44,380 |
| Foreign exchange loss resulting from a 10% appreciation in the U.S. dollar | **(56,448)** | (44,380) |

The sensitivity analysis above assumes that all other variables remain constant. The Company's exposure to other currencies is not significant.

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## 26. Financial Instruments (continued)

**d) Financial Risk Factors** (continued)

***Credit Risk***

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash, short-term investments, and trade and other receivables.

i) Cash and short-term investments

With respect to credit risk arising from cash and short-term investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure corresponding to the carrying amount of these instruments. The Company limits its counterparty credit risk on these assets by dealing only with financial institutions with credit ratings of at least A or equivalent.

ii) Trade and other receivables

For the majority of its sales, the Company does business with two renowned brokers, who assume the credit risk associated with end customers. These brokers have similar activities and economic characteristics, representing a significant portion of sales with a maximum exposure corresponding to the carrying value of trade receivables. The credit risk associated with these two brokers is mitigated through an annual credit check to monitor the credit worthiness of the brokers. For direct sales occurring from time to time, the Company conducts credit monitoring activities, including performing financial or other assessments to establish and monitor a customer's credit worthiness, setting credit limits and monitoring exposure in relation to these limits. There is no guarantee that brokers or other customers will remain solvent over time and in the event that a significant customer is unable to accept contracted volumes, then volumes may be sold on a spot basis to traders, sold under renegotiated contractual volumes with existing customers, or sold under contracts with new customers.

Revenues from the sale of iron ore concentrate mainly arise from contracts with the Company's two brokers, each representing more than 10% of total revenues in both 2026 and 2025 financial years.

For trade receivables subject to provisional pricing classified at FVTPL, the fair value measurement reflects the credit risk exposure. For trade receivables not subject to provisional pricing, an impairment analysis is performed at each reporting date. Loss allowance on receivables is based on actual credit loss experience over the past years and current economic conditions. Receivables are generally settled within six months and are historically collectable. The Company has no receivables past due as at March 31, 2026 (March 31, 2025: nil). For the year ended March 31, 2026, no provision was recorded on any of the Company's receivables (year ended March 31, 2025: nil). The Company holds no collateral for any receivable amounts outstanding as at March 31, 2026 (March 31, 2025: nil).

***Liquidity Risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities and lease liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, through budgeting and cash forecasting, that it will have sufficient liquidity to meet its liabilities as they come due.

The following tables provide the contractual maturities of financial liabilities and lease liabilities (non-financial liabilities), based on undiscounted cash-flows and including estimated future interest payments:

| **As at March 31, 2026** | **Less than a year** | **1 to 5 years** | **More than 5 years** | **Total** |
|---|---|---|---|---|
| Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability) | **236,342** | **—** | **—** | **236,342** |
| Long-term debt | **112,495** | **430,367** | **839,128** | **1,381,990** |
| Lease liabilities | **23,970** | **60,054** | **69,753** | **153,777** |
| | **372,807** | **490,421** | **908,881** | **1,772,109** |

| **As at March 31, 2025** | **Less than a year** | **1 to 5 years** | **More than 5 years** | **Total** |
|---|---|---|---|---|
| Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability) | 272,400 | — | — | 272,400 |
| Long-term debt | 87,878 | 706,867 | 80,365 | 875,110 |
| Lease liabilities | 18,453 | 35,691 | 77,533 | 131,677 |
| | 378,731 | 742,558 | 157,898 | 1,279,187 |



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## 27. Capital Risk Management

The Company's main objective when managing its capital is to maintain an adequate balance between having sufficient capital to invest in growth opportunities including exploring and developing mineral resource properties, investing in new product development as well as maintaining a satisfactory return on equity to ordinary shareholders.

The Company defines its capital as long-term debt, lease liabilities and share capital. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions and strategic priorities. Dividend payments are discretionary and depend on financial circumstances.

The Company is not subject to externally imposed capital requirements other than certain restrictions under the terms of its lending agreements for which the Company complied as at March 31, 2026. In order to facilitate the management of its capital requirements, the Company prepares long-term cash flow projections that consider various factors, including successful capital deployment, general industry conditions and economic factors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital was as follows:

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Long-term debt | **962,763** | 707,301 |
| Lease liabilities | **117,761** | 92,335 |
| Share capital | **470,085** | 411,047 |
| | **1,550,609** | 1,210,683 |

## 28. Joint Venture

Since September 29, 2025, the Company holds a 51% interest in the Kami Partnership, a joint venture currently evaluating the potential development of the Kami Project, designed to produce 9 million wet metric tonnes per year of direct reduction grade iron ore pellet feed above 67.5% Fe and which is located 21 kilometres southeast of Bloom Lake, in Canada. Refer to note 3 — Kami Iron Mine Partnership.

The Company's interest in the Kami Partnership is accounted for using the equity method in the consolidated financial statements.

This summarized financial information represents the joint venture's financial statements prepared in accordance with IFRS under the Company's accounting policies:

| | **As at March 31, 2026** |
|---|---|
| Current assets | **13,680** |
| Non-current assets | **240,322** |
| **Total assets** | **254,002** |
| Current liabilities | **5,643** |
| Non-current liabilities | **55,487** |
| **Total liabilities** | **61,130** |
| **Net assets** | **192,872** |
| Assets above include: | |
| Cash | **11,209** |
| Non-current restricted cash | **56,097** |

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## 28. Joint Venture (continued)

| | Year Ended March 31, 2026 |
|---|---|
| Depreciation | (19) |
| General and administrative expenses | (3,741) |
| Innovation and growth initiatives | (433) |
| **Operating expenses** | (4,221) |
| Net finance income | 128 |
| **Net loss** | (4,093) |
| **Champion's share of loss** | (2,087) |

Reconciliation of the above amounts with the carrying amount of the Company's investment recognized in the consolidated statements of financial position is presented below:

| | As at March 31, 2026 |
|---|---|
| Champion's interest | 51 % |
| Joint venture's net assets (100%) | 192,872 |
| Champion's proportionate ownership | 98,365 |
| Elimination of fair value adjustments attributable to Champion | (26,678) |
| | 71,687 |
| Transaction costs incurred | 1,437 |
| **Carrying value of Champion's investment in a joint venture** | 73,124 |

The joint venture does not have any future minimum payments of commitments as at March 31, 2026.

The Kami Partnership will be subject to the payment of a gross sales royalty on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products; and an education and training fund for local communities.

## 29. Related Parties

**Joint venture**

Transactions and balances with the joint venture, accounted for using the equity method, are summarized below:

| | Notes | On September 29, 2025 |
|---|---|---|
| Contributed net assets | | |
| Current assets | | 313 |
| Non-current assets (i) | | 78,868 |
| Current liabilities | | (3,175) |
| Non-current liabilities | | (28) |
| | | 75,978 |
| Cash received (feasibility study repayment) | 4 | (15,630) |
| Investment received | 3 | 60,348 |

(i) Non-current assets include $78,705 of exploration and evaluation assets contributed to the Kami Partnership. Refer to note 11 — Exploration and Evaluation Assets.

During the year ended March 31, 2026, Champion invoiced management fees and other services to the Kami Partnership totalling $4,200, and recognized interest income of $651 on restricted cash held within the joint venture for the Company's benefit.



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## 29. Related Parties (continued)

**Joint venture** (continued)

| | Notes | As at March 31, 2026 |
|---|---|---|
| Investment in a joint venture | **28** | **73,124** |
| Joint venture's contribution note | **12** | **55,446** |
| Other receivables (from a joint venture) | | **1,047** |

**Key management personnel**

The Company considers its directors and some of its executive officers to be key management personnel. Transactions with key management personnel are set out as follows:

| | Year Ended March 31, 2026 | 2025 |
|---|---|---|
| Short-term benefits | | |
| Salaries | **4,742** | 5,123 |
| Bonus | **3,561** | 3,389 |
| | **8,303** | 8,512 |
| Termination benefits | **846** | — |
| Share-based payments | **7,032** | 3,627 |
| Post-employment benefits | **719** | 761 |
| All other remuneration | **335** | 364 |
| | **17,235** | 13,264 |

The Company has employment agreements with its executive officers, which include termination remuneration and benefits varying according to different scenarios. Had all these officers been terminated as at March 31, 2026, the Company would have paid an amount of approximately $16,836 (March 31, 2025: $15,175), in addition to amounts in the table above.

## 30. Commitments and Contingencies

The Company's future minimum payments of commitments as at March 31, 2026 are as follows:

| | Less than a year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Impact and Benefits Agreement with the Innu community | **7,652** | **32,810** | **96,985** | **137,447** |
| Take-or-pay fees related to the Port Agreement | **8,247** | **35,364** | **80,670** | **124,281** |
| Capital expenditure obligations | **38,548** | **—** | **—** | **38,548** |
| Other obligations | **55,355** | **200** | **150** | **55,705** |
| | **109,802** | **68,374** | **177,805** | **355,981** |

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

In September 2025, the Company and the Partners entered into a definitive partnership agreement as outlined in note 3 — Kami Iron Mine Partnership, as a result of which the Partners made initial cash contributions in the Kami Partnership and committed to further contribute $176,400. Subsequent cash contributions of the Partners are subject to the completion of a definitive feasibility study, Champion and the Partners proceeding with positive interim investment elections to pursue work towards a final investment decision, as well as other customary closing conditions. Until a final investment decision is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests. The Partners are expected to make further contributions on a pro-rata basis for expenses necessary to advance the Kami Project towards a potential interim investment decision and, ultimately, a potential final investment decision.

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## 30. Commitments and Contingencies (continued)

Contingent upon the Kami Project advancing to commercial production, the Company will be subject to a fixed production payment on future tonnes sold. The Company is also subject to limited production payments on its Consolidated Fire Lake North, Lac Lamêlée, Moiré Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

## 31. Financial Information Included in the Consolidated Statements of Cash Flows

**a) Changes in non-cash operating working capital**

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| Receivables | **22,110** | (61,936) |
| Prepaid expenses and advances | **195** | (4,354) |
| Inventories | **54,453** | (19,948) |
| Advance payments | **5,894** | 17,168 |
| Accounts payable and other | **(41,599)** | 29,831 |
| Income and mining taxes receivable or payable | **(32,293)** | (17,510) |
| Other long-term liabilities | **(3,238)** | (6,559) |
| | **5,522** | (63,308) |

**b) Reconciliation of additions presented in the property, plant and equipment schedule to the net cash flows used in investing activities**

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| **Additions of property, plant and equipment as per note 10** | **446,287** | 658,109 |
| Additions of right-of-use assets (i) | **(37,326)** | (21,670) |
| Depreciation of property, plant and equipment allocated to stripping activity asset | **(5,633)** | (3,737) |
| Non-cash increase of the asset related to provisions | **(16)** | (55,730) |
| Government grant recognized | **5,095** | — |
| Government grant received | **(5,740)** | — |
| Non-cash capitalization of borrowing costs | **(7,240)** | (597) |
| **Net cash flows used in investing activities - Purchase of property, plant and equipment** | **395,427** | 576,375 |

(i) The additions of right-of-use assets for the year ended March 31, 2025, differ from those presented in note 10 — Property, Plant and Equipment, as they excluded $3,645 of deposits paid in advance to secure the delivery of equipment.

**c) Reconciliation of depreciation presented in the property, plant and equipment schedule to the consolidated statements of income**

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| **Depreciation of property, plant and equipment as per note 10** | **170,130** | 155,750 |
| Depreciation of property, plant and equipment allocated to stripping activity asset | **(5,633)** | (3,737) |
| Depreciation of intangible assets | **2,092** | 1,521 |
| Net effect of depreciation of property, plant and equipment allocated to inventory | **13,695** | (4,930) |
| **Depreciation as per consolidated statements of income** | **180,284** | 148,604 |

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## 31. Financial Information Included in the Consolidated Statements of Cash Flows (continued)

**d) Changes in liabilities arising from financing activities**

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| **Opening balance - Long-Term Debt** | **707,301** | 539,428 |
| Cash from (used in) financing activities | | |
| Issuance | **765,600** | 187,951 |
| Repayment | **(500,405)** | (51,136) |
| New transaction costs | **(14,329)** | (1,029) |
| Non-cash changes | | |
| Embedded derivative recognition | **11,854** | — |
| Foreign exchange movement | **(12,099)** | 28,979 |
| Amortization of transaction costs and accretion | **4,841** | 3,108 |
| **Ending balance - Long-Term Debt** | **962,763** | 707,301 |

## 32. Segmented Information

As at March 31, 2026 and 2025, the Company conducted mining operations and exploration and evaluation activities in Canada.

The operating segments reflect the management structure of the Company and are consistent with the internal reporting reviewed by the Company's chief operating decision-maker to assess the business performance and make strategic decisions. The Company evaluates the performance of its operating segments primarily based on segment operating income, as defined below. The Bloom Lake mine site, which is comprised of two facilities in operation, was identified as a segment, namely Iron Ore Concentrate. Exploration and Evaluation and Corporate were identified as separate segments due to their specific nature.

| Year Ended March 31, 2026 | Iron Ore Concentrate | Exploration and Evaluation | Corporate | Total |
|---|---|---|---|---|
| **Revenues** | **1,769,731** | **—** | **—** | **1,769,731** |
| Cost of sales | **(1,180,823)** | **—** | **—** | **(1,180,823)** |
| Depreciation | **(178,100)** | **(188)** | **(1,996)** | **(180,284)** |
| **Gross profit (loss)** | **410,808** | **(188)** | **(1,996)** | **408,624** |
| Share-based payments | **—** | **—** | **(11,644)** | **(11,644)** |
| General and administrative expenses | **—** | **—** | **(55,055)** | **(55,055)** |
| Sustainability and other community expenses | **(8,777)** | **—** | **(11,161)** | **(19,938)** |
| Innovation and growth initiative expenses | **—** | **—** | **(10,363)** | **(10,363)** |
| **Operating income (loss)** | **402,031** | **(188)** | **(90,219)** | **311,624** |
| Net finance costs and other income | **—** | **—** | **(24,718)** | **(24,718)** |
| Share of loss of a joint venture | **—** | **—** | **(2,087)** | **(2,087)** |
| Tax expenses | **—** | **—** | **(116,083)** | **(116,083)** |
| **Net income** | **402,031** | **(188)** | **(233,107)** | **168,736** |
| | | | | |
| **Segmented total assets (i)** | **3,218,702** | **101,599** | **176,960** | **3,497,261** |
| **Segmented total liabilities** | **(1,152,474)** | **—** | **(810,528)** | **(1,963,002)** |
| **Segmented property, plant and equipment** | **2,310,999** | **3,229** | **7,877** | **2,322,105** |

(i) The investment in a joint venture of $73,124 is included in the Corporate segment.

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## 32. Segmented Information (continued)

| Year Ended March 31, 2025 | Iron Ore Concentrate | Exploration and Evaluation | Corporate | Total |
|---|---|---|---|---|
| **Revenues** | 1,606,579 | — | — | 1,606,579 |
| Cost of sales | (1,056,243) | — | — | (1,056,243) |
| Depreciation | (146,380) | (125) | (2,099) | (148,604) |
| **Gross profit (loss)** | 403,956 | (125) | (2,099) | 401,732 |
| Share-based payments | — | — | (5,397) | (5,397) |
| General and administrative expenses | — | — | (48,734) | (48,734) |
| Sustainability and other community expenses | (8,198) | — | (10,364) | (18,562) |
| Innovation and growth initiative expenses | — | — | (8,528) | (8,528) |
| **Operating income (loss)** | 395,758 | (125) | (75,122) | 320,511 |
| Net finance costs and other income | — | — | (55,364) | (55,364) |
| Tax expenses | — | — | (123,102) | (123,102) |
| **Net income** | 395,758 | (125) | (253,588) | 142,045 |
| | | | | |
| **Segmented total assets** | 2,835,046 | 150,024 | 45,131 | 3,030,201 |
| **Segmented total liabilities** | (1,561,644) | — | (33,159) | (1,594,803) |
| **Segmented property, plant and equipment** | 2,035,248 | 1,996 | 9,162 | 2,046,406 |

## 33. Parent Entity Information

The following table is an AAS requirement and presents the information relating to Champion Iron Limited:

| | **As at March 31, 2026** | As at March 31, 2025 |
|---|---|---|
| Current assets | **21,009** | 13,034 |
| Non-current assets | **132,650** | 115,144 |
| **Total assets** | **153,659** | 128,178 |
| Current liabilities | **8,663** | 3,729 |
| Non-current liabilities | **12,479** | 9,833 |
| **Total liabilities** | **21,142** | 13,562 |
| **Net assets** | **132,517** | 114,616 |
| Share capital | **340,691** | 281,653 |
| Warrants | **—** | 22,288 |
| Contributed deficit | **(32,356)** | (32,356) |
| Accumulated deficit | **(175,818)** | (156,969) |
| **Total equity** | **132,517** | 114,616 |
| Net loss of the parent entity | **(24,529)** | (11,525) |
| **Comprehensive loss of the parent entity** | **(24,529)** | (11,525) |

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## 34. Auditor's Remuneration

The following table is an AAS requirement and presents the total remuneration received or receivable by the auditors in connection with:

| | Year Ended March 31, | |
|---|---|---|
| | **2026** | 2025 |
| **E&Y Canada** | | |
| Audit fees | **877** | 644 |
| Audit-related fees | **27** | 8 |
| Tax fees | **94** | 47 |
| | **998** | 699 |
| **E&Y Australia** | | |
| Audit fees | **91** | 87 |
| Audit-related fees | **77** | — |
| Tax fees | **39** | 48 |
| | **207** | 135 |
| | **1,205** | 834 |

Other non-audit fees were mainly comprised of consulting services.

## 35. Subsequent Events

**Dividend**

On May 27, 2026 (Montréal) / May 28, 2026 (Sydney), the Board declared a semi-annual dividend of $0.02 per ordinary share of the Company in connection with the annual results for the period ended March 31, 2026, payable on July 8, 2026 (Montréal and Sydney), to registered shareholders at the close of business in Australia and Canada on June 12, 2026.

**Business Combination — Rana Gruber Shares Acquisition**

On December 21, 2025, the Company entered into a transaction agreement with Rana Gruber, a leading Norwegian producer of high-purity iron ore, on terms of a conditional recommended voluntary cash tender offer to acquire all of the issued and outstanding shares of Rana Gruber at a price of NOK 79 per share, representing an implied total equity value of approximately NOK 2,930 million (the "Offer"). The completion of the Offer was subject to customary conditions, including minimum acceptance thresholds (acquisition of more than 90% of the shares and voting rights of Rana Gruber), and other closing conditions.

On April 10, 2026 and April 17, 2026, the Company acquired 92.48% and 7.52%, respectively, of the shares and voting rights of Rana Gruber, resulting in a 100% ownership interest, for a purchase price of approximately US$300 million (the "Acquisition"), plus related fees and expenses. The Acquisition was funded through a combination of a new secured 4-year US$150 million term loan, an equity private placement of US$100 million from La Caisse, which resulted in the issuance of 26,795,921 common shares of Champion at a share price of US$3.7319 ($5.1508), and cash on hand. The Acquisition is intended to strengthen the Company's leadership in the global high-purity iron ore market, by diversifying Champion's asset base and product portfolio, and to enhance its contribution in decarbonizing the steel industry.

At the time these financial statements were authorized for issue, the initial accounting for the business combination is incomplete due to the proximity of the acquisition date to year-end. As a result, the Company has not yet finalized the complete disclosure required by IFRS 3 — Business Combinations (B64), including the allocation of purchase price to the fair value of assets acquired and liabilities assumed. In addition, the Company has not disclosed the combined financial information, as it is not practicable to prepare such information at this time. Total acquisition-related costs were approximately $17.2 million, of which approximately $5.6 million was recognized as an expense in the statements of profit or loss for the year ended March 31, 2026.

In connection with the Acquisition, Champion and certain of its subsidiaries refinanced the Company's syndicated senior credit facilities, effective on April 1, 2026, in order to, among other things, extend the maturity to April 2030, establish the Term Loan and amend the US$400 million senior secured revolving credit facility, including to take into account the Acquisition.

**Foreign Exchange Forward Contracts**

On May 15, 2026, the Company entered into a strip of foreign exchange forward contracts totalling US$600 million with a fixed rate of 1.3626, to hedge the anticipated exposure to the variability of the USD/CAD exchange rate. These are required to be settled over the next twelve months, based on pre-determined monthly notional.



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# 07.
# SUSTAINABILITY REPORT-CLIMATE-RELATED DISCLOSURES



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# ABOUT THIS REPORT

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**Basis of Preparation and Statement of Compliance**

Champion Iron Limited ("Champion", the "Company" or the "Group") prepared this 2026 Sustainability Report (the "Sustainability Report") which highlights the climate-related financial disclosures of its controlled and owned subsidiaries, including Quebec Iron Ore Inc. ("QIO") as well as the Kami Iron Mine Partnership (the "Partnership" or "Kami"). The use of "Champion", "the Company" or the "Group" in this report refers to Champion Iron Limited and its subsidiaries, including QIO and Kami.

This report presents a complete set of climate-related financial disclosures for the financial year ended March 31, 2026. It focuses primarily on the Bloom Lake Mining Complex ("Bloom Lake"), the Company's principal asset operated by QIO in Québec, Canada and on development activities related to Kami[1].

This report has been prepared in accordance with Australian Accounting Standards Board ("AASB") S2 Climate-related Disclosures ("AASB S2"), the mandatory Australian Sustainability Reporting Standard ("ASRS") issued by the AASB and in compliance with applicable legislative requirements in the Corporations Act 2001 (Cth) (the "Corporations Act").

The disclosures contained herein have been prepared for the financial year ended March 31, 2026, and are aligned with the Company's financial reporting cycle.

The climate-related financial information included herein relates to the Company's consolidated financial statements for the financial year ended March 31, 2026 (the "Consolidated Financial Statements"). This report should be read in conjunction with the Consolidated Financial Statements. All monetary amounts are presented in Canadian dollars (CAD), consistent with the Consolidated Financial Statements, unless where otherwise indicated.

In accordance with the transition reliefs available under AASB S2, the Company has elected not to present comparative information for most climate-related financial disclosures in this first year of application. However, comparative information related to greenhouse gas ("GHG") emissions is disclosed where available. The Company has applied the transitional relief available under AASB S2 which permits entities not to disclose Scope 3 GHG emissions in the first annual reporting period of application. Notwithstanding this relief, the Group has voluntarily disclosed selected Scope 3 emissions information, prepared with reference to the GHG Protocol Corporate Value Chain ("Scope 3") Accounting and Reporting Standard. The information is not intended to represent full compliance with AASB S2 Scope 3 measurement requirements, is not required to be included in this report by the Corporations Act or AASB S2 and is not subject to the same assurance and liability regime as the rest of this report.

**Forward-Looking Statements**

This report contains forward-looking statements and forward-looking climate-related information (collectively, "forward-looking statements"). Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "will", "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.

Forward-looking statements include, among other things, scenario analyses, transition and physical risk assessments, projected emissions trajectories, the impact of these risks on the Company's operations and financial position, mitigation and other measures taken in response to these risks, including optimization programs, capital expenditures and investments, the DRPF Project and its progress, commissioning and expected benefits, and the Company's growth and opportunities generally.

[1] The impacts, risks and opportunities associated with Rana Gruber ASA ("Rana Gruber") are not reflected in this report, as the acquisition of Rana Gruber was completed after the end of the reporting period and, therefore, falls outside the scope of the defined reporting entity and reporting period. Champion intends to assess the integration of Rana Gruber's climate-related risks, opportunities, and emissions data into its reporting framework in subsequent reporting periods once Rana Gruber is included within the consolidated group.

# About this Report (continued)

**Forward-Looking Statements** (continued)

Forward-looking statements have been prepared using all reasonable and supportable information available to the Company at the reporting date without undue cost and effort and are based on assumptions considered reasonable at the date of publication but involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, that may cause actual results to potentially differ substantially from those expressed or implied in such forward-looking statements.

Factors that could cause actual results to differ materially from those expressed or implied by forward-looking statements include, without limitation: [future prices of iron ore; future transportation costs; general economic, competitive, political and social uncertainties; continued availability of capital and financing and general economic, market or business conditions; timing and uncertainty of industry shift to electric arc furnaces, impacting demand for high-grade feed; failure of plant, equipment or processes to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; the results of feasibility and other studies; changes in the assumptions used to prepare feasibility and other studies; project delays; geopolitical events; and the effects of catastrophes and public health crises on the global economy, the iron ore market and Champion's operations], as well as those factors discussed in the section entitled "Risk Factors" of Champion's Management's Discussion and Analysis and its Annual Report for the financial year ended March 31, 2026, available under the Champion's profile on the ASX at www.asx.com.au, SEDAR+ at www.sedarplus.ca, and the Company's website at www.championiron.com.

If any one or more of these risks or uncertainties materializes or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. All of the forward-looking statements contained in this Report are given as of the date hereof and are based upon the opinions, estimates and information available as at the date hereof. Champion disclaims any intention or obligation to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. If one or more forward-looking statements is updated, no inference should be drawn that additional updates with respect to those or other forward-looking statements will be made.

"Green steel" refers to steel that is produced using processes that significantly reduce or eliminate GHG compared to traditional steelmaking, which typically relies on blast furnaces that use coal as both a fuel and a reductant. Accordingly, the steel industry typically classifies green steel as either optimizing traditional steelmaking, including improved supply chains using quality metallics such as Direct Reduced Iron ("DRI") and Hot Briquetted Iron ("HBI"). Additionally, green steel refers to using alternative methods of steelmaking, including electric arc furnaces ("EAF"), which utilize recycled scrap metal or DRI to minimize GHG emissions, and could potentially be adapted to use hydrogen as a main source of energy.

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# CLIMATE-RELATED GOVERNANCE

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In accordance with AASB S2 requirements, the processes and structures described herein are currently being developed and implemented. Processes are being established to ensure that Champion's Sustainability and Indigenous Affairs Committee (the "SIA Committee") is informed, beginning in FY2027, of climate-related risks and opportunities, including those identified in this report.

## 1. Climate-Related Governance, Responsibilities and Skills

The Company's Board of Directors (the "Board"), supported by its committees, holds ultimate responsibility for overseeing and addressing risks and opportunities, including climate-related risks and opportunities. The Audit Committee is tasked with overseeing the establishment and implementation of a system for identifying, assessing, monitoring and managing risks including climate-related risks and opportunities. The Remuneration, People and Governance Committee (the "RPG Committee") is responsible for overseeing the setting of sustainability and climate-related metrics and targets linked to executive compensation. The SIA Committee is in charge of monitoring and reviewing the climate change-related risks and opportunities, designating accountable executive officers for material sustainability risks including climate change, and reviewing reports related to climate-related targets. These responsibilities are reflected in the charter of the SIA Committee.

The Board determines whether appropriate skills and competencies are available to oversee climate-related risks and opportunities through the composition of its committees and their respective mandates. In this regard, the Board benefits from the expertise of Ms. Louise Grondin, who has served as a Director since August 2020 and currently acts as Chair of the SIA Committee. Ms. Grondin has extensive executive experience in environment, sustainability, and people leadership within the mining sector, complemented by advanced academic training in engineering, environmental sciences, and meteorology. Her background supports informed oversight of climate-related matters, including physical and transition risks. Since the establishment of the former Environment, Social and Governance Committee, and the currently constituted SIA Committee[2], Ms. Grondin has played a central role in reviewing Champion's sustainability practices, disclosures, climate and energy reporting, and climate risk assessments.

In addition, Champion's Board has a diverse range of backgrounds, skills and experience that enhance Champion's decision-making and oversight. To promote a Board composition that reflects a broad range of skills and complementary expertise, thereby strengthening collective decision-making, the Board has developed a skills matrix. The skills matrix includes Environment and Sustainability elements, encompassing climate-related subjects.

Every year, the Board members complete a self-assessment against the competencies required to serve on the Board's committees, including the SIA Committee. Through this process, the Board attests to having the appropriate skills and competencies to provide effective oversight of climate-related risks and opportunities.

[2] The ESG Committee, established in November 2021, was renamed the Sustainability and Indigenous Affairs Committee in April 2023 to reflect its expanded mandate and responsibilities more accurately.

## 2. Board's Oversight of Climate-Related Risks and Opportunities

The SIA Committee meetings shall be held not less than once every quarter enabling the Committee to effectively undertake its role. During the reporting period, the SIA Committee met four times, fulfilling its minimum quarterly meeting requirement. The SIA Committee is mandated to monitor and review climate-related risks and opportunities at least annually and, accordingly, to be informed at least annually of the results of the executive team's (the "Management" or the "Management team") review of physical and transition climate-related risks and opportunities. Consistent with this mandate, the SIA Committee was initially informed subsequent to the financial year-end and it will be kept informed on an annual basis regarding the evolution of these risks and their impacts on the Company and its financial prospects. These risks and opportunities are assessed on an ongoing basis by a team comprised of internal and external climate analysts, including operations personnel. Company's climate analysts. Climate-related risks assessed as critical, along with their proposed management strategies, are communicated to the Risk Management Committee ("RMC"), a management sub-committee responsible for approving specific risk management strategies and for overseeing the implementation of the mitigation plans for these risks. The RMC, which meets at least quarterly, reports the results of the quarterly review to the Management team. The figure below highlights the responsibilities related to climate risks and opportunities across our Company.

Furthermore, climate-related policies, strategies and information are subject to a comparable review structure by the Board and its committees as is financial information. Specifically, the SIA Committee, composed entirely of non-executive Board members, reports its findings and recommendations regarding climate-related risks and opportunities to the Board. In overseeing Group's overall risk management processes, strategy and major transactions, the Board and its committees also consider climate-related risks and opportunities. This includes the assessment of climate-related risks and opportunities associated with potential transactions under evaluation. During the reporting period, a preliminary assessment of climate-related risks and opportunities related to the Rana Gruber acquisition was presented to the SIA Committee, as part of the integration of climate considerations into the Board's transaction oversight process. Where relevant, trade-offs between climate-related risks and opportunities and broader strategic objectives are considered as part of this oversight.

The Company's executive compensation plan incorporates operational performance threshold with 5% of total bonus awards under the Short-Term Incentives ("STI") Program tied to achieving sustainability targets, including climate-related objectives. For the FY2026 period, the climate-related target included identifying and disclosing climate-related physical and transition risks and opportunities, analyzing their financial impact where possible, while optimizing the Company's position in mitigating risks and leveraging opportunities in the green steel supply chain.

Moreover, during the reporting period, one of the Company's sustainable development objectives involved assessing the Scope 3 impact and emission reduction opportunities related to the commercialization of the Company's Direct Reduced Pellet Feed ("DRPF") project, which is expected to produce DR quality iron ore at up to 69% Fe. This completed assessment highlighted the Company's potential to further contribute to the decarbonization in the steelmaking processes through the commercialization of its DRPF products. Building on these findings, Champion has initiated efforts related to this potential Scope 3 emissions reduction opportunity.

## 3. The Management's Role

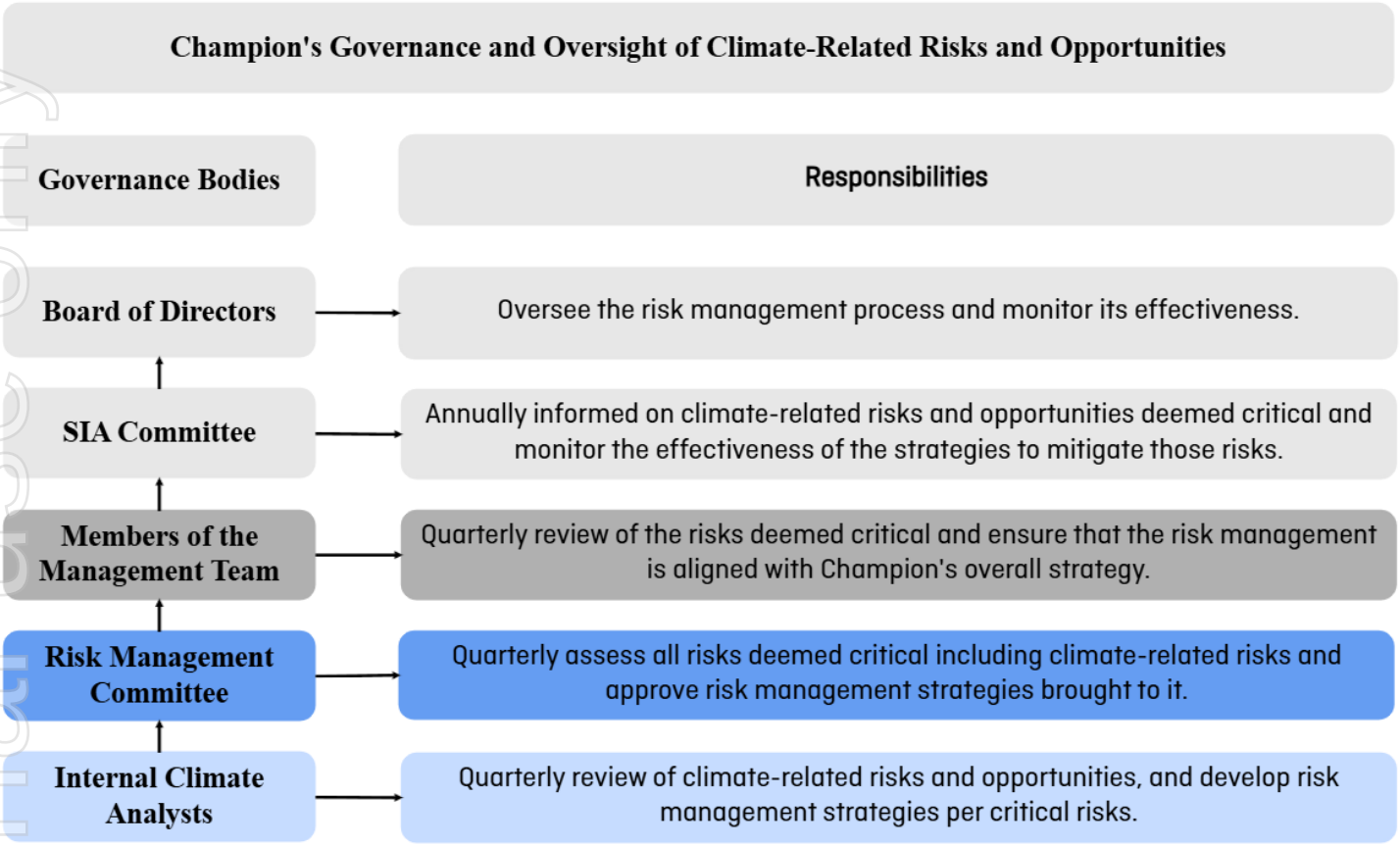
The Chief Operating Officer of the Company (the "COO"), supported by the Company's energy team comprised of internal and external energy management experts, is responsible for overseeing the Company's management, measuring, monitoring and reporting of greenhouse gas ("GHG") emissions, including goal setting and the assessment of climate-related risks and opportunities. In accordance with the SIA Committee's mandate, the COO and other members of the Management team report to the SIA Committee at least annually on climate-related topics, ensuring ongoing accountability for climate change performance. These responsibilities are aligned with and supported by the formal mandates of the Board and its committees, as set out in the SIA Committee's Charter, which includes the review and monitoring of sustainability-related policies, targets and performance, including climate-related risks and opportunities, the designation of accountable executives for material sustainability risks and the reporting of findings to the Board. The findings and action plans arising from this process inform the COO's annual reporting to the SIA Committee, as described above.

Management also uses periodic review, controls and procedures to support the oversight of climate-related risks and opportunities, including quarterly ESG team reviews of key assumptions and methodologies used to quantify such risks and opportunities. These controls are integrated into the Company's broader risk management processes and aligned with the RMC's oversight of risk prioritization, ownership and strategy integration, as described on pages 211-212, under Risk Management.

Management's oversight of climate-related risks and opportunities is further reinforced by the Audit Committee's mandate to oversee management's establishment and implementation of systems for identifying, assessing, monitoring and managing material risks, including climate-related risks and opportunities. The following figure highlights the oversight responsibilities related to climate risks and opportunities at both management and board level.

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### 3. The Management's Role (continued)




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# STRATEGY

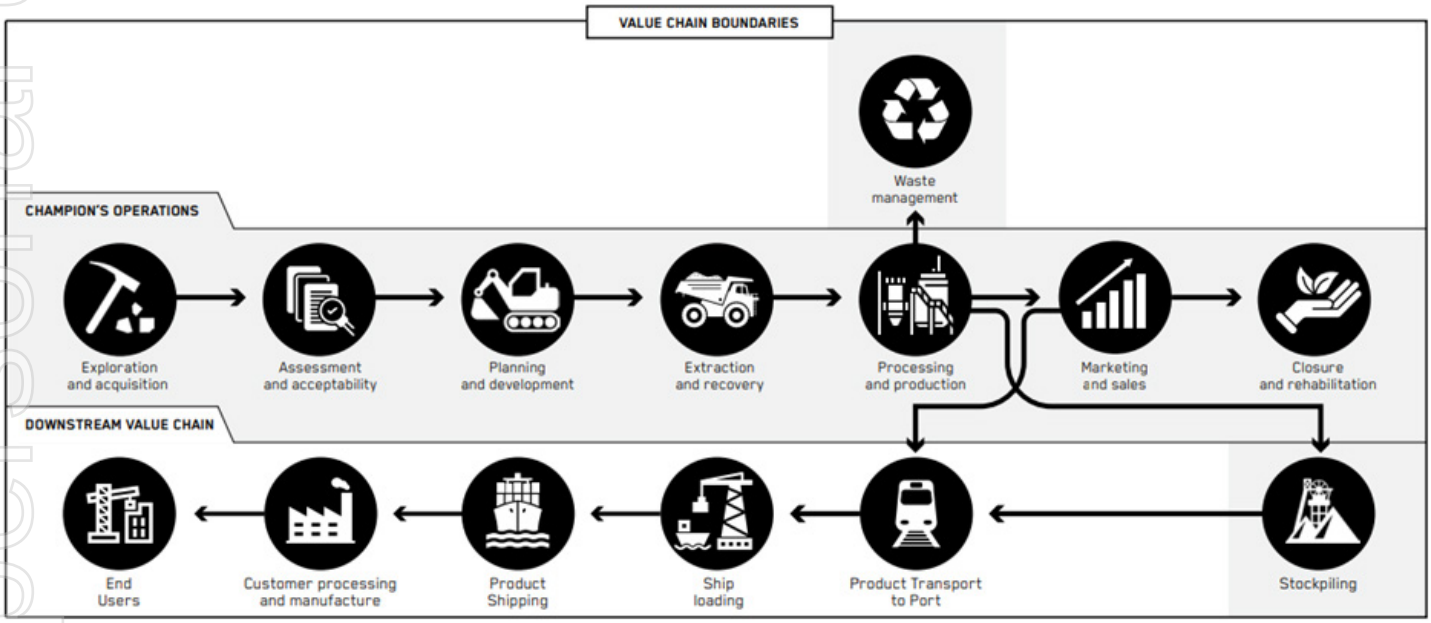
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At Champion, our strategy is shaped by a clear understanding of how climate-related risks and opportunities may affect our business, decision-making and financial planning over time. Building on our risk assessment process, our approach integrates both transition and physical risks and opportunities into long-term planning, capital allocation and operations. The following section outlines the Company's strategic approach, including our response to climate scenarios, key climate-related risks and opportunities identified and the resilience of our business model.

## 1. Champion's Mission, Vision & Strategy

Champion's business model is designed to supply high-purity iron ore products to support the global steel industry's transition toward less emissive steelmaking methods. The figure below illustrates how Champion's value chain is structured to deliver on this purpose, from early-stage exploration to market.

**A Representation of Champion's Value Chain**



## 2. Time Horizon and Climate Scenarios

To assess its climate-related risks and opportunities, Champion applied a multi-scenario approach during the FY2026 period allocation and operational priorities, while aligning with internal planning cycles and external climate benchmarks. Accordingly, the short term horizon (2026–2030) aligns with our 2030 GHG reduction target. The medium term horizon (2030–2041) reflects the current life of mine ("LoM") of the Bloom Lake mine site, which extends to 2041[3]. The long term horizon (2041–2050) extends beyond the existing LoM to remain consistent with the Company's strategic growth objectives. The 2050 endpoint is also aligned with international climate objectives, including the long-term goals of the Paris Agreement and net-zero pathways assessed by the Intergovernmental Panel on Climate Change. The following scenarios are used to assess the Company's resilience under different climate futures.

- 1.5°C scenario (SSP1-1.9)[4]: Used to quantify the potential effects of both physical and transition risks and opportunities in a world consistent with the objectives of the Paris Agreement, and to assess the Company's exposure and resilience to physical climate risks under a low-emission pathway.
- >2°C scenario (SSP2-4.5)[4]: Selected to assess transition risks and opportunities, reflecting a temperature trajectory broadly aligned with current global policy and technological trends[5].
- 3.6°C scenario (SSP3-7.0)[4,6]: Applied to assess the Company's exposure and resilience to physical climate risks under a high-emission pathway. This scenario reflects a future with intensified physical impacts, including more frequent and severe extreme weather events, rising temperatures, and heightened vulnerability of assets and operations.

Champion applied a differentiated scenario framework, deliberately selecting distinct scenarios for physical and transition risk assessment. The high-emission SSP3-7.0 scenario was applied to stress-test the resilience of assets, infrastructure, value chain and business model under severe physical conditions, representing a plausible future in which global mitigation efforts remain insufficient. Conversely, the SSP1-1.9 scenario was used to assess physical risks and transition risks and opportunities under a low-emission trajectory where climate would reach a 1.5°C increase, providing a contrasting view of the Company's exposure across the full range of potential warming outcomes. The SSP2-4.5 scenario was selected as the most policy-relevant reference point for assessing transition risks and opportunities, reflecting the trajectory on which the world is currently tracking based on enacted policies and technological trends. Collectively, all three scenarios were also used to stress-test the overall resilience of Champion's business model and strategy, ensuring that the Company's approach remains robust across a spectrum of plausible climate futures.

This differentiated approach allows Champion to evaluate high-impact physical outcomes, alongside the most probable transition dynamics affecting its operations and markets, consistent with the scenario analysis requirements under AASB S2.

**Scope of Analysis**

The physical risk assessment encompasses the Company's major operational and logistical footprint across its value chain, including Bloom Lake mine operations, upstream workforce transportation, rail transport to the Port of Sept-Îles, and the potential exposure of port infrastructure to climate-related hazards. Transition risks and opportunities were assessed primarily in relation to Champion's revenue-generating operations at Bloom Lake. Since Champion's acquisition of Rana Gruber was completed during FY2027, its impact falls outside the boundary of this analysis. Champion intends to perform and disclose a transition and physical risk assessment in respect of this acquisition in a subsequent reporting period.

Champion acknowledges that its climate risk exposure may evolve as growth projects advance, as regulatory frameworks and market conditions develop and as the state of climate itself evolves. The Company intends to progressively expand its scenario analysis to assess climate-related risks and opportunities within its export markets, with particular attention to carbon pricing mechanisms and policies supporting the decarbonization of steelmaking in those markets.

This forward-looking scenario-based approach provides Champion with actionable insights into the robustness of its strategy and capital investments, forming a cornerstone of its climate resilience assessment.

[3] It is noted that significant mineral resources and reserves have been publicly reported at and near Bloom Lake that may support the potential for operations beyond the current LoM, subject to future technical and economic evaluation. However, there is no certainty that such mineral resources will be converted into mineral reserves or that they will be economically mineable. See our latest technical reports : https://www.championiron.com/investors/technical-reports/. This reference is provided for informational purposes only and is not intended to satisfy any disclosure requirement under AASB S2.
[4] IPCC, 2021. Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, p. 13.
[5] UNEP, 2024, No more hot air … please! With a massive gap between rhetoric and reality, countries draft new climate commitments, UNEP, p. 30. & Climate Action Tracker 2025.
[6] This scenario corresponds to the well exceeding 2°C higher-warming pathway required under the Climate Change Act.



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## 2. Time Horizon and Climate Scenarios (continued)

**Assumptions per climate scenarios**

As part of its climate resilience assessment, Champion defined a set of key assumptions covering climate-related policies, macroeconomic trends, regional variables, energy use and mix and technological developments. These assumptions support the Company's evaluation of its resilience over the short, medium and long term under various global warming scenarios. The following tables highlight assumptions with each climate risk category, including both transition & physical risks.

**Table 1 - Macroeconomic, Energy and Technology Assumptions for Transition Risks and Opportunities[7,8,9]**

| Domain | 1.5°C – SSP1-1.9 | >2°C – SSP2-4.5 |
|---|---|---|
| **Temperature** | Under this scenario, global mean surface temperature is projected to be about 1.4°C above pre-industrial levels at the end of the century with a very likely range of 1.0°C to 1.8°C[7] with $CO_2$ emissions declining to net zero between 2050 and 2070.<br><br>This scenario represents deep mitigation and rapid progress toward net zero $CO_2$ emissions around mid-century, resulting in only a limited overshoot of the 1.5 °C threshold. The narrow range of projected warming reflects the strong coordination of climate policies and sustained reductions in emissions across sectors. | Under this scenario, temperature is projected to increase to around 2.7 °C above pre-industrial levels by the end of the century, with a very likely range of 2.1 °C to 3.5 °C with $CO_2$ emissions remaining stable at current levels until the middle of the century.[7]<br><br>The resulting temperature outcome illustrates substantial warming beyond 2°C, underscoring persistent climate risks without stronger mitigation action. |
| **Policies and Macroeconomy** | SSP1-1.9 represents a sustainable development scenario with gradual shifts toward low carbon material growth, strong climate policies and reduced energy intensity.<br><br>Global population peaks at about 7 billion by 2100, lower than SSP2-4.5, with rapid and efficient urbanization supporting sustainable infrastructure and energy use.<br><br>Economic growth focuses on well-being. Institutions advance faster toward sustainability goals, and ambitious policies create higher compliance costs but a strong market premium for lower-carbon products such as our DRPF. | SSP2-4.5 represents intermediate and stable economic growth, with moderate climate policies and progressive social and urban development.<br><br>The global population peaks around 9.4 billion, with urbanization reaching 80% by 2100[8], suggesting sustained demand for steel.<br><br>Global and national institutions make slow progress toward sustainable development goals. While the market remains favorable for our DRPF product, premiums are expected to be lower than in the SSP1-1.9 scenario. |

[7] IPCC, 2023. Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, p. 12.
[8] Riahi et al. (2017), Shared Socioeconomic Pathways (SSPs): energy, land use and emissions implications, Global Environmental Change.
[9] Wood Mackenzie, Iron Ore Energy Transition Outlook 2025, June 2025.



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## 2. Time Horizon and Climate Scenarios (continued)

**Assumptions per climate scenarios** (continued)

**Table 1 - Macroeconomic, Energy and Technology Assumptions for Transition Risks and Opportunities [7,8,9]** (continued)

| Domain | 1.5°C – SSP1-1.9 | >2°C – SSP2-4.5 |
|---|---|---|
| **Energy usage and mix** | In this scenario, energy demand is expected to peak around 2060 and decline thereafter due to efficiency, behavioral change and sustainable consumption.<br><br>Abundant access to renewable, low-carbon energy supports competitive industrial energy costs, creating favorable conditions for the structural shift in steelmaking production methods. The transition is expected to accelerate the less emissive Direct Reduction Iron-Electric Arc Furnace ("DRI-EAF") route, which benefits from low-carbon electricity while reducing dependence on the traditional Blast Furnace-Basic Oxygen Furnace ("BF-BOF") route, stimulating demand for high-purity iron ore products. In this scenario, global steel and iron ore demand grows at a slower pace, but Champion's direct reduction quality iron ore could benefit from a significant rise in demand to service DRI-EAF steelmaking. | SSP2-4.5 projects rising global energy demand within a diversified mix still largely dominated by fossil fuels, with gradual progress toward renewables and efficiency gains.<br><br>Although fossil fuels remain prominent, the BF-BOF route is expected to decline in relative share, while DRI-EAF steelmaking continues to expand as demand for lower-emission steel grows, albeit with lower support than under SSP1-1.9. Accordingly, when compared to the SSP1-1.9 scenario, global iron ore demand continues to be robust, but the demand for Champion's DR quality iron ore grows at a slower pace. |
| **Technology and demand** | SSP1-1.9 assumes a gradual shift toward sustainable technologies, with steady improvements in energy efficiency, electrification and low-carbon energy adoption. Global demand emphasizes sustainable consumption, low material growth and reduced energy intensity.<br><br>These trends support a structural acceleration of DRI-EAF adoption, with DRI demand projected to potentially increase at up to 350%[9] by 2050, compared to 2024 levels, implying sustained demand for high-purity iron ore and DRPF product. | SSP2-4.5 is characterized by gradual and balanced technological adoption. Improvements in energy efficiency and the deployment of low-carbon technologies progress steadily over time, but without major disruptive breakthroughs.<br><br>This evolutionary transition supports the continued gradual expansion of the DRI-EAF steelmaking route, with demand for DRI being projected to potentially increase by approximately 150%[9] by 2050 compared to 2024 levels. Overall energy intensity declines progressively, driven by efficiency gains and shifts in resource use, developments that are consistent with the increased adoption of the DRI-EAF pathway. |

While the assumptions in Table 1 capture the macroeconomic, energy and technological dynamics underlying transition risks, the physical risk assessment requires a distinct set of assumptions based on projected changes to the climate itself. The following table outlines the key physical climate parameters considered under the high-emission SSP3-7.0 and low-emission SSP1-1.9 scenario, which together define the range of physical conditions against which Champion's operational and logistical resilience was assessed. These assumptions were developed with reference to three key nodes within Champion's value chain: the Bloom Lake mine site, the rail corridor used to transport its high-purity iron ore products to the Port of Sept-Îles, and the Port of Sept-Îles.

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## 2. Time Horizon and Climate Scenarios (continued)

**Assumptions per climate scenarios** (continued)

**Table 2 - Regional and Physical Assumptions[10, 11]**

| Hazard | Measurement unit | Historical data (1991-2020) | | 2050 - 1.5°C – SSP-1-1.9 | | 2050 - 3.6°C – SSP-3-7.0 | |
|---|---|---|---|---|---|---|---|
| | | Fermont | Sept-Îles | Fermont | Sept-Îles | Fermont | Sept-Îles |
| **Extreme cold[10]** | Annual number of days with average temperature below -20°C | 32 days | 3 days | 32 days (-) | 3 days (-) | 21 days (-34%) | 0 day (-100%) |
| **Extreme heat[10]** | Annual number of days above average 30°C | 0 day | 0 day | 0 day (-) | 0 day (-) | 0 day (-) | 1 day (+100%) |
| **Storm and heavy precipitation disruption[10]** | Annual total of snowfall and rain (mm) | 1,077 | 1,256 | 1,087 (+1%) | 1,274 (+1%) | 1,139 (+5%) | 1,338 (+7%) |
| **Wildfires[11]** | Annual duration of fire season (days) | 144 | 167 | 135 (-6%) | 147 (-12%) | 158 (+10%) | 172 (+3%) |
| **Lightning[10]** | Annual number of thunderstorm events | The higher the temperature, the more lightning occurs. | | Expect to remain stable with current level | | Expect to increase due to higher atmospheric instability | |

The regional and physical assumptions summarized in the previous table outline projected climate conditions for Bloom Lake and Sept-Îles under both scenarios by 2050. Under the 1.5°C scenario, the climate-related physical risks currently observed are assumed to represent the lower bound of the long-term horizon, with effective global mitigation gradually stabilizing temperatures near current levels. As such, the estimated financial impacts of physical risks under this scenario are expected to remain close to current levels. Under the high-emission SSP3-7.0 pathway, conditions diverge, with notable increases in temperature, wildfire season duration, precipitation volumes, leading to an increase in thunderstorm occurrences, reflecting a future of intensified and more frequent climate-related hazards across Champion's operational and logistical footprint.

## 3. Materiality Assessment

The climate-related risks and opportunities presented in this report were identified through a comprehensive mapping of impacts and dependencies across the value chain, covering both physical and transition risks and opportunities at both operational and company levels. The assessment considered short, medium and long-term horizons aligned with the Company's strategic planning process and incorporated qualitative and quantitative factors, including the nature, magnitude and likelihood of potential impacts.

In accordance with AASB S2, the assessment was performed from the perspective of the primary users of general-purpose financial reports, being existing and potential investors, lenders and other creditors, whose decisions relate to buying, selling or holding equity and debt instruments, providing or selling loans and other forms of credit and exercising rights to vote on, or otherwise influence, management's actions that affect the use of the Champion's economic resources.

Champion has identified and disclosed climate-related risks and opportunities that could reasonably be expected to affect its prospects. Separately, the Company assesses whether information about these risks and opportunities is material, meaning that omitting, misstating or obscuring such information could reasonably be expected to influence the decisions of primary users of general-purpose financial reports. A formal reassessment of these risks and opportunities, as well as the associated material information, is performed quarterly.

[10] Data from Ouranos.
[11] Estimation from forest fires from ClimateData.ca.



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## 4. Climate-Related Risks and Opportunities

Champion assessed how its business model and value chain may evolve under different climate scenarios including a 1.5°C pathway consistent with the Paris Agreement. These analyses inform our understanding of climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term.

Climate-related risks generally fall into two categories:

- Physical risks: Risks stemming directly from the physical impacts of a changing climate on people, assets, and ecosystems. Physical risks can be acute, such as extreme weather events including forest fires, storms, floods, or chronic, reflecting gradual and persistent shifts in climate patterns such as rising temperatures, changing precipitation regimes, or reduced water availability. Left unaddressed, such risks could disrupt operations, impair infrastructure, constrain resource availability, and threaten workforce safety.
- Transition risks: Risks associated with the structural shift toward a lower-carbon economy, driven by changes in policy and regulation, technological disruption, evolving market dynamics, and shifting stakeholder expectations. These forces can alter the competitive landscape by influencing input and compliance costs, reshape demand for products and services, and impact the valuation of existing assets. Companies that fail to anticipate and adapt to this transition face both financial and reputational consequences.

The Company's strategy focuses on managing risks and opportunities through business model adaptation, targeted mitigation and adaptation measures, and the integration of climate considerations into financial planning. These actions aim to strengthen operational resilience while supporting the transition to a lower-carbon economy. The following section details the climate-related risks and opportunities that could reasonably be expected to affect Champion's financial performance over the short, medium and long term, including their effects and corresponding mitigation measures. Having assessed all climate-related risks and opportunities identified in this report, Champion has determined that energy prices could have significant risk of material adjustment to the carrying amount of assets or liabilities reported in the financial statements expected within the next annual reporting period.

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## 4. Climate-related risks and opportunities (continued)

### A. Physical Risks

| Physical Risk 1 - Uncontrolled Wildfire | |
|---|---|
| **Nature of risk:** Increased frequency and intensity of wildfires in the Fermont region may disrupt mining operations and concentrate transportation, including along the broader rail corridor. A major wildfire could threaten the mine site's operations, worker accommodations, critical infrastructure including power lines, rail transport across the full rail network and the route from which we supply the mine site, and the health and safety of our workers. In addition, any such event could require partial or full evacuation of personnel. It could also lead to production losses, transportation interruptions, asset damage and additional emergency response. | |
| **Effects on operations:** Under a 1.5°C scenario (SSP1-1.9), wildfire season duration is expected to remain stable, allowing more predictable operations and structured mitigation planning. In a >2°C scenario (SSP3-7.0), the season is projected to increase by 13 days in Fermont (+10%) and by 5 days in Sept-Îles (+3%) by 2050, raising the likelihood of operational disruptions, evacuations, infrastructure damage and transportation interruptions. These events could affect iron ore concentrate production and shipment reliability, impacting both site operations and downstream logistics within the value chain. | **Effects on business model and value chain:** Extraction, recovery, processing, production and product transport to port face inherent risks from increased wildfire activity, though these are not expected to result in significant effects on Champion's business model, given the structured mitigation measures and operational continuity planning in place. |
| **Adaptation efforts:** To mitigate this risk, the Company maintains a year-round Emergency Measures Plan coordinator, supported by a fire prevention coordinator and an on-site response team. The emergency plan includes measures such as relocation of high-value or explosive materials, controlled operational shutdowns and workforce evacuation when required. | |
| **Financial effects** | |
| **Current effects:** No wildfire-related disruption occurred in FY2026. However, in the summer of 2024 (FY2025), wildfire events resulted in approximately $10.8 million in estimated financial impacts, comprising a reduction in revenue attributable to non-produced and non-sold iron ore volumes, as well as costs associated with employee evacuation and lost working hours during operational interruptions.<br><br>**Anticipated effects:** Wildfire risk is acute, and material adjustments to assets due to this risk are too uncertain to be quantified. In the short term (2030), wildfire season duration is expected to remain stable. By 2050, projections range from a decrease of -6% to an increase of +10% of its duration, depending on the climate scenario. While financial impacts are not necessarily proportional to changes in season duration, prolonged wildfire seasons increase the likelihood of operational disruptions and their associated financial consequences.<br><br>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future frequency, severity and geographic extent of wildfire events, the duration of any operational interruptions, the resilience of critical infrastructure at Bloom Lake and along the rail corridor to the Port of Sept-Îles, and the effectiveness of emergency response and mitigation measures. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.<br><br>The financial statement line item most reasonably exposed to this risk is revenue, through potential production losses and shipment delays, and property and equipment, through potential asset damage. From a scenario perspective, financial exposure is expected to be greater under a SSP3-7.0, where wildfire season duration is projected to increase by approximately +10% by 2050, compared to SSP1-1.9, where a slight decrease of -6% is anticipated, reducing the likelihood of material disruptions over the long term. | |
| **Scenario 1.5°C (SSP1-1.9):** Under a 1.5°C scenario, wildfire season duration is expected to slightly decrease over the long-term (-6%). When events occur, financial impacts are expected to remain comparable to historical levels, primarily driven by temporary production losses, shipment delays, employee evacuation costs and lost working hours.<br><br>**Scenario >2°C (SSP3-7.0):** Under a >2°C scenario, wildfire season duration is projected to be longer (approximately +10%), raising the likelihood of disruptive events through 2050. Given the expected increase in frequency of this risk, associated impacts could result in financial consequences exceeding current levels. However, this estimate is subject to significant uncertainty given the acute nature of the risk, which may result in events that are either much more severe or considerably less impactful than historical experience. | **Time horizon**<br><br>Short, medium and long term. |

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## 4. Climate-related risks and opportunities (continued)

**A. Physical Risks** (continued)

| Physical Risk 2 - Storm and heavy precipitation | |
|---|---|
| **Nature of risk:** Extreme precipitation events can lead to water ingress through building roofs while snowstorms, heavy rainfall and strong winds may disrupt employee transportation via airports or road networks. These hazards can cause infrastructure damage, increased transport costs, difficulties in employee commuting and safety risks. | |
| **Effects on operations:** Under a 1.5°C scenario (SSP1-1.9), precipitation and storm patterns are expected to remain stable, resulting in predictable maintenance and transport conditions. In a >2°C scenario (SSP3-7.0), total annual precipitation is projected to increase by 4.78% in Fermont and 5.02% in Sept-Îles by 2050, potentially increasing infrastructure damage and transport delays, including airport disruptions that affect employee commuting. Strong wind hazards are projected to remain stable across both climate scenarios. These events could affect on-site operations, employee transport, and timely arrival to site, though impacts are generally localized and short-lived. Notably, higher liquid precipitation during summer months may partially mitigate wildfire risk by reducing dry conditions that are conducive to ignition and spread. | **Effects on business model and value chain:** Extraction, recovery, processing and production are not meaningfully impacted, resulting in no anticipated effects on Champion's business model. |
| **Adaptation efforts:** The Company performs regular inspections and repairs during the summer to prevent water ingress, particularly at high-risk buildings. For transport disruptions, employees are rerouted via the nearest operational airport and transported by bus to their usual destination. Where necessary, accommodations are arranged near airports to avoid fatigue-related safety risks. The Company also monitors real-time weather and follows airline recommendations to mitigate disruption. | |
| **Financial effects** | |
| **Current effects:** In FY2026, weather-related impacts were minor, with approximately $200,000 in overtime costs due to delayed transport and $35,000 for accommodations and meals during flight cancellations. | |
| **Anticipated effects:** Given the event-driven nature of this risk, material adjustments to assets are too uncertain in the next financial year to be quantified. Over the short term (2030), changes in precipitation and snowstorm patterns are expected to be marginal. Looking further ahead to 2050, climate projections suggest a moderate increase of approximately +1% to +6% depending on the scenario. Although these variations do not translate linearly into financial effects, they contribute to a higher probability of weather-related disruptions affecting the entity's financial position, performance and cash flows.<br><br>Champion is unable to quantify the anticipated financial impact from this risk over the medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future frequency, severity and geographic extent of storm and heavy precipitation events, the duration of any resulting operational interruptions, the resilience of critical infrastructure at Bloom Lake and along the rail corridor to the Port of Sept-Îles, and the effectiveness of emergency response and mitigation measures. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.<br><br>The financial statement line item most reasonably exposed to this risk is cost of goods sold ("COGS"), primarily through labour costs associated with operational disruptions and recovery efforts during and following storm events. | |
| **Scenario 1.5°C (SSP1-1.9):** Financial impacts are expected to remain similar to historical levels when events occur, primarily driven by repair costs, temporary transport disruptions, and accommodation expenses.<br><br>**Scenario >2°C (SSP3-7.0):** Under a >2°C scenario, precipitation is projected to increase, potentially increasing the frequency and severity of infrastructure damage and transport delays, including airport disruptions. Average financial impacts per event could rise proportionally, though estimates remain uncertain given the acute nature of the risk, which could result in either more severe or less impactful events than historical experience. | **Time horizon**<br><br>Medium and long term. |

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## 4. Climate-related risks and opportunities (continued)

**A. Physical Risks** (continued)

| Physical Risk 3 - Lightning-related power disruption | |
|---|---|
| **Nature of risk:** Lightning events may damage electrical equipment on site and trigger power interruptions. While direct physical damage to Company-owned assets has historically been limited, lightning frequently affects the regional power grid operated by Hydro-Québec, resulting in temporary outages that disrupt mining and processing operations. These events can lead to production losses, operational downtime and minor equipment repair costs. | |
| **Effects on operations:** Under a 1.5°C scenario (SSP1-1.9), lightning occurrence is expected to remain broadly consistent with historical levels. In a >2°C scenario (SSP3-7.0), rising average temperatures may increase atmospheric instability and storm activity, leading to an estimated 5% increase in lightning occurrences. Although direct equipment damage on site remains limited due to installed surge protection systems, the Company's reliance on externally supplied electricity exposes operations to indirect disruptions. Lightning-related grid outages may occur multiple times per summer, affecting extraction, processing and production continuity. | **Effects on business model and value chain:** Extraction and recovery, processing and production are not meaningfully impacted, resulting in no anticipated effects on Champion's business model. |
| **Adaptation efforts:** Surge protection systems are installed at multiple locations across the mine site to protect critical electrical equipment. The Company maintains rapid communication protocols with Hydro-Québec to address power disruptions. | |
| **Financial effects** | |
| **Current effects:** In FY2026, no significant direct equipment damage from lightning was recorded. Annual repair and prevention costs related to lightning remained below $100,000. However, indirect impacts through lightning-induced grid-related outages resulted in estimated production losses of approximately $5 million for the financial year. | |
| **Anticipated effects:** Lightning is an acute physical risk, resulting in inherently variable year-to-year impacts, making material adjustments to assets too uncertain to be quantified for the next financial year. While annual losses have been estimated at approximately $5 million in FY2026, Champion cannot reliably quantify short-term financial effects for FY2027 due to the unpredictability of storm activity. Under a lower warming scenario (SSP1-1.9), exposure is expected to remain broadly stable, whereas under a higher warming scenario (SSP3-7.0), increased atmospheric instability may lead to a rise in lightning frequency. Although financial impacts are not necessarily proportional to these changes, a higher occurrence of lightning events would increase the likelihood of production losses due to power outages.<br><br>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, since estimating the effects would require assumptions about the future frequency, severity and geographic extent of lightning events, the duration of any resulting power outages and operational interruptions, the resilience of electrical infrastructure at Bloom Lake, and the effectiveness of surge protection and emergency response measures. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.<br><br>The financial statement line item most reasonably exposed to this risk is revenue, through potential production losses resulting from lightning-induced power outages. | |
| **Scenario 1.5°C (SSP1-1.9):** Under a 1.5°C scenario, lightning occurrence is expected to remain broadly consistent with historical patterns. Accordingly, annual financial impacts would be expected to remain near current average levels, subject to normal year-to-year variability.<br><br>**Scenario >2°C (SSP3-7.0):** Under a >2°C scenario, rising average temperatures may increase atmospheric instability and storm activity, leading to an estimated 5% increase in lightning occurrences over 2021–2050. Assuming proportional exposure, the current average annual production loss could increase to approximately $5.25 million over time. However, given the acute and episodic nature of lightning events, actual financial impacts may deviate materially from modeled averages in any given year, depending on outage clustering, duration and regional grid resilience. | **Time horizon**<br><br>Short, medium and long term. |

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## 4. Climate-related risks and opportunities (continued)

**A. Physical Risks** (continued)

| Physical Risk 4 - Extreme cold impacting concentrate transportation and handling | |
|---|---|
| **Nature of risk:** Extreme cold events (below -20°C) may affect the transportation and handling of iron ore concentrate by causing freezing in rail wagons, stockpiles and mechanical systems. These conditions can disrupt train cycles, delay vessel loading and temporarily defer sales due to shipment interruptions. | |
| **Effects on operations:** Historically (1991–2020), Fermont experienced approximately 32 days where temperature fell below -20°C, while Sept-Îles observed 3 days under -20°C. Under a >2°C scenario (SSP3-7.0), this is projected to decrease to approximately 21 days annually for Fermont and to 0 for Sept-Îles, while remaining broadly stable under a 1.5°C scenario. During prolonged cold periods, iron ore concentrate may freeze in rail wagons or at the Port of Sept-Îles, reducing unloading efficiency, slowing vessel loading and affecting overall rail cycle performance. Air brake systems may also require operational adjustments in sustained cold conditions. | **Effects on business model and value chain:** Product transport to port and ship loading are not meaningfully impacted, resulting in no anticipated effects on Champion's business model. |
| **Adaptation efforts:** The Company applies strict winter operating protocols to limit freezing risk. Train loading is coordinated with unloading capacity at the Port of Sept-Îles to ensure timely wagon discharge and minimize the risk of concentrate freezing in transit, while limiting the number of loaded trains held onsite to three during winter months. Fresh production is prioritized during extreme cold to reduce freezing potential, moisture content is monitored and reclaim blending ratios are controlled. Mechanical shovels are available at the Port of Sept-Îles to manage frozen concentrate, and wagon insulation repairs are performed as required when deemed necessary. At the port, operational practices and equipment mobilization are used to break frozen material and protect conveyors. Wagon air systems are subject to biannual ultrasonic inspections and enhanced winter maintenance, with modified train configurations implemented when sustained temperatures below -30°C occur. | |
| **Financial effects** | |
| **Current effects:** The estimated financial exposure associated with extreme cold events impacting concentrate transportation and handling was approximately $37 million in FY2026, driven predominantly by operational disruptions and deferred revenues, with no anticipated permanent asset impairment. These costs specifically relate to wagon damage, rail track disruptions, demurrage charges and contingency measures implemented with SFP Pointe-Noire to manage frozen concentrate. | |
| **Anticipated effects:** Extreme cold is an acute seasonal risk, with financial impacts dependent on the severity and duration of winter conditions, which remain difficult to predict in the short term. While the projected reduction in extreme cold frequency represents a diminishing of the risk impact under higher warming scenarios, this risk is not expected to be fully eliminated within the reporting horizon. Fermont, where train loading operations are conducted, experienced an average of 32 days below -20°C during the 1991-2020 reference period. Under SSP1-1.9, this figure is projected to remain at approximately 32 days by 2050, while under SSP3-7.0, it is projected to decrease to approximately 21 days. In both scenarios, extreme cold conditions continue to pose operational risks to train loading and rail logistics, as even a reduced number of critical cold days can result in significant disruptions when they occur. Over the longer term (2050), extreme cold projections under a 1.5°C scenario (SSP1-1.9) are expected to remain broadly stable, while projected to decrease by up to -34% in Fermont and 100% in Sept-Îles under a higher warming scenario (SSP3-7.0). While financial impacts are not necessarily proportional to these changes, a reduction in the frequency and severity of extreme cold events may significantly lower the likelihood of related disruptions and their associated financial consequences. The mitigation measures currently in place are designed to manage the residual financial exposure associated with extreme cold conditions, particularly under the SSP1-1.9 scenario where projected conditions remain closer to current levels.<br><br>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future frequency, severity and duration of extreme cold events, the extent of operational disruptions to train loading and rail logistics at Fermont and port operations at Sept-Îles, and the effectiveness of cold-weather mitigation measures in place. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.<br><br>The financial statement line item most reasonably exposed to this risk is revenue, through potential production losses and shipment delays resulting from train loading interruptions, and COGS, through incremental operational costs associated with port operations during extreme cold conditions. | |
| **Scenario 1.5°C (SSP1-1.9):** Under a 1.5°C scenario, extreme cold frequency is expected to remain broadly consistent with historical levels. Financial exposure would therefore remain comparable to current conditions, subject to normal winter variability.<br><br>**Scenario >2°C (SSP3-7.0):** Under a >2°C scenario, extreme cold days are projected to decline significantly in Fermont and Sept-Îles. This reduction would likely decrease the frequency of freezing-related transport disruptions over time, lowering overall financial exposure while not fully eliminating episodic winter impacts. | **Time horizon**<br><br>Short, medium and long term. |

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## 4. Climate-related risks and opportunities (continued)

**B. Transition Risks**

| Transition Risk 1 - Energy prices and availability | |
|---|---|
| **Nature of risk:** Energy availability and pricing, for both electricity and fossil fuels, represent a transition-related risk to operational performance, growth strategy and decarbonization objectives. Constrained energy supply, grid expansion delays or sustained price increases could increase operating costs, affect the economic viability of expansion projects and influence capital allocation decisions. As energy is a critical input for mining operations and downstream steel production, prolonged cost escalation or reduced availability could affect competitiveness. | |
| **Effects on operations:** Energy is a core input for processing and production activities. Higher diesel and electricity prices directly increase operating costs, while energy supply constraints may affect production continuity or project development timelines. Under a 1.5°C scenario (SSP1-1.9), accelerated electrification and tighter climate policies may increase energy prices, particularly for electricity, in the short to medium term (2026–2040), with improved renewable capacity potentially stabilizing supply over the long term (2041–2050). Under a >2°C scenario (SSP2-4.5), weaker policy pressure may moderate short-term price increases. However, fossil fuel price volatility and delayed infrastructure investments could increase medium- to long-term supply | **Effects on business model and value chain:** Extraction and recovery, processing and production, product transport to port and product shipping, with no anticipated effects on Champion's business model. |
| **Adaptation efforts:** The Company is currently in the process of implementing the ISO 50001 certified energy management system focused on energy efficiency optimization, consumption monitoring and cost control. This program supports continuous improvement in energy performance, reduces exposure to price volatility and contributes to operational energy efficiency measures. | |
| **Financial effects** | |
| **Current effects:** In FY2026, energy costs amounted to $96 million. The extent to which these costs have been affected by climate-related transition factors cannot be separately identified. Accordingly, the total energy expenditure is disclosed.<br><br>**Anticipated effects:** Electricity prices in Québec are regulated by the Régie de l'énergie. Hydro-Québec has filed for average annual tariff increases of approximately 3.6% for 2026–2028, with further increases anticipated over the medium to long term to support grid infrastructure investments. Over the short term, achieving ISO 50001 certification could qualify Champion for preferential Hydro-Québec tariff rates, potentially avoiding a premium surcharge otherwise applicable to non-certified industrial consumers, partially offsetting projected rate increases.<br><br>Fossil fuel costs amounted for nearly 75% of total energy costs in FY2026 and are subject to market-based pricing influenced by global supply conditions and geopolitical factors. In the short future, the ongoing conflict in the Middle East is expected to contribute to upward price pressure, heightening Champion's exposure to fuel cost volatility. According to the Canada Energy Regulator, a 1.5°C scenario could reduce fossil fuel prices by over 50% by 2030[12], while a >2°C scenario would yield more limited reductions of approximately 6%.<br><br>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future trajectory of electricity tariffs, the evolution of global fossil fuel prices, the pace of energy transition policies across jurisdictions, and the extent to which climate-related factors can be isolated from broader market and geopolitical drivers. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information. The financial statement line item most reasonably exposed to this risk is COGS, through direct energy expenditures across Champion's mining and processing operations. | |
| **Scenario 1.5°C (SSP1-1.9):** Under a 1.5°C scenario, stronger climate policies and accelerated electrification are expected to increase short- to medium-term energy prices, particularly for electricity, as demand shifts toward low-carbon power. However, over the longer term, increased renewable deployment and reduced fossil fuel reliance (with prices projected to decline by more than 50% by 2030 and 66% by 2050)[12] may stabilize supply conditions. Financial exposure would likely be characterized by near-term cost pressure combined with long-term structural energy system transformation.<br><br>**Scenario >2°C (SSP2-4.5):** Under a >2°C scenario, fossil fuel price reductions are projected to be limited (approximately 6% by 2030 with stabilization to 2050[11]). While near-term regulatory pressure may be lower, continued reliance on fossil fuels could increase exposure to price volatility and supply disruptions over time. Energy cost risk would therefore remain structurally present, driven more by market volatility than by accelerated policy tightening.[12] | **Time horizon**<br><br>Short, medium and long term. |

[12] Canada Energy Regulator, 2023. Scenarios and Assumptions.

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## 4. Climate-related risks and opportunities (continued)

**B. Transition Risks** (continued)

| Transition Risk 2 – Freight Costs | |
|---|---|
| **Nature of risk:** Maritime freight costs are exposed to fuel prices, global trade conditions and emerging shipping decarbonization policies. Increasing carbon pricing and fuel regulations in the maritime sector may raise transportation costs and affect margins, particularly for long-distance export markets. Maritime transport is associated with approximately 646,000 tonnes of $CO_2e$ emissions classified within Champion's Scope 3 emissions, and a carbon tax per tonne on carriers could be passed on to customers, exacerbating this cost exposure. At the same time, DRPF commercialization is expected to diversify sales toward relatively closer regions, partially reducing exposure to long-haul freight risk. | |
| **Effects on operations:** Freight costs directly influence net realized margins. Under a 1.5°C scenario (SSP1-1.9), progressive maritime decarbonization and carbon pricing are expected to increase shipping costs across all time horizons. Sales diversification toward the Middle East and North Africa ("MENA") and Europe may partially mitigate cost pressure as shorter routes are expected to reduce costs associated with the seafaring of our products. Under a >2°C scenario (SSP2-4.5), short-term cost escalation may be more moderate, but delayed policy action could result in sharper freight cost adjustments in the medium and long-term horizons. | **Effects on business model and value chain:** Marketing and Sales, Product Shipping, which could support the business model of the Company to develop relationships with steelmakers located closer to our operations. |
| **Adaptation efforts:** Champion's diversification of sales markets, driven primarily by the commercialization of the DRPF product is projected to increase exports to the MENA region and Europe, started in FY2026 and expected to increase in the medium term as our DRPF production is ramping up. This geographic rebalancing reduces average shipping distances and enhances resilience to potential cost increases, including measures proposed by the International Maritime Organization ("IMO"). | |
| **Financial effects** | |
| **Current effects:** During the FY2026, freight costs exceeded $570M. The extent to which these costs have been affected by climate-related transition factors cannot be separately identified. Accordingly, total freight costs are disclosed.<br><br>**Anticipated effects:** No direct financial impact from the IMO carbon pricing framework is expected for the next reporting period. Beyond this horizon, shipping companies may become subject to carbon pricing mechanisms, which could be passed through to customers in the form of higher freight rates. However, the commercialization of our DRPF product is anticipated to shift a portion of our sales toward closer markets, notably the MENA region. This reduction in shipping distance could partially or fully offset any freight cost increases attributable to carbon pricing, potentially turning this risk into a net cost opportunity when compared to historical iron ore sales and customer exposure.<br><br>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future trajectory of IMO carbon pricing mechanisms, the extent to which shipping companies pass carbon costs through to customers, the pace of commercialization of the DRPF product and the resulting shift in shipping distances and customer exposure. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.<br><br>The financial statement line item most reasonably exposed to this risk is COGS, through potential increases in freight rates attributable to carbon pricing mechanisms imposed on maritime carriers.[13] | |
| **Scenario 1.5°C (SSP1-1.9):** Under a 1.5°C scenario, maritime carbon pricing mechanism is expected to be fully implemented and potentially strengthened over time. This would structurally increase freight costs in the short to long term. However, diversification toward relatively closer markets such as the MENA region and Europe may reduce average shipping distances and partially mitigate the financial impact.<br><br>**Scenario >2°C (SSP2-4.5):** Under a >2°C scenario, implementation and enforcement may be less stringent in the near term, potentially moderating early cost impacts. However, delayed policy action could lead to sharper tightening after 2035, increasing the risk of abrupt freight cost escalation as carbon pricing mechanisms become more binding. | **Time horizon**<br><br>Medium and long-term. |

[13] International Maritime Organization (IMO). IMO Approves Net-Zero Regulations. IMO Press Briefings.



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## 4. Climate-related risks and opportunities (continued)

**B. Transition Risks** (continued)

| Transition Risk 3 – Climate policy regulation | |
|---|---|
| **Nature of risk:** Evolving climate-related regulations, including carbon pricing mechanisms, greenhouse gas emission limits, carbon border adjustment measures and enhanced disclosure requirements may increase compliance costs and operational complexity. These measures could require additional capital investments, increase administrative burden and affect project economics and development timelines. | |
| **Effects on operations:** Climate regulation directly increases operating and compliance costs through carbon pricing, emissions limits and disclosure requirements. These measures may influence capital allocation and project timelines. Under a 1.5°C scenario (SSP1-1.9), regulatory tightening is expected to intensify progressively, increasing compliance costs while reinforcing demand for high-purity iron ore product required in lower-emission steelmaking. Under a >2°C scenario (SSP2-4.5), slower short-term policy tightening may limit immediate cost pressure, but delayed action could result in sharper regulatory adjustments in the medium to long term. | **Effects on business model and value chain:** Planning and development, extraction and recovery, product transport to port, product shipping and marketing and sales. Effects anticipated on Champion's business model are related to increased demand and premiums for our products. |
| **Adaptation efforts:** Champion monitors regulatory developments across jurisdictions. Its high-purity iron ore is recognized as a critical mineral in Québec, Canada and Newfoundland and Labrador, which may support policy alignment with domestic low-carbon supply chains. While current European carbon border measures do not cover non-agglomerated iron ore concentrate, the Company continues to monitor trade and regulatory developments that could affect international markets. | |
| **Financial effects** | |
| **Current effects:** In FY2026, approximately $5.4 million in carbon taxes were incurred through diesel purchases, as carbon pricing is applied upstream by the fuel supplier. This represents a direct operating cost linked to current climate policy mechanism. | |
| **Anticipated effects:** Carbon taxes incurred through diesel purchases are expected to increase over time, with our operational costs rising proportionally to the applicable tax level. Financial exposure will depend on both carbon price trajectories and fuel consumption intensity. | |
| Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future trajectory of carbon pricing mechanisms, the pace and stringency of climate policy across relevant jurisdictions, and the extent to which fuel consumption intensity can be reduced through operational improvements and decarbonization initiatives. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information. | |
| The financial statement line item most reasonably exposed to this risk is COGS, through direct carbon tax obligations applied to fuel consumption across Champion's mining and transportation operations. | |
| **Scenario 1.5°C (SSP1-1.9):** Under a 1.5°C scenario, carbon pricing, industrial regulation and climate disclosure requirements are expected to strengthen progressively. Compliance costs would likely increase across short-, medium- and long-term horizons. However, stronger decarbonization policies may reinforce global demand for high-purity iron ore used in lower-emission steel production, supporting long-term market positioning despite higher regulatory costs. | **Time horizon** |
| **Scenario >2°C (SSP2-4.5):** Under a >2°C scenario, near-term regulatory pressure may be more moderate. However, delayed policy action could result in accelerated tightening beyond 2035, potentially leading to abrupt cost increases, carbon pricing adjustments and market realignments. Transition risk in this scenario would therefore be characterized by greater policy uncertainty and potential step-change regulatory impacts. | Short, medium and long-term. |

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## 4. Climate-related risks and opportunities (continued)

### C. Transition Opportunity

| Transition Opportunity – Structural Shift in the Steel industry's Production Methods | |
|---|---|
| **Nature of opportunity:** Decarbonization of the steel industry is expected to drive increased demand for high-purity iron ore products. Champion's product profile positions the Company to capture growth associated with lower-emission steelmaking pathways, which requires high-purity iron ore products. The DRPF project is designed to further align the Company with this transition by supplying products suited for the DRI-EAF steelmaking route who manufacture steel with significantly less coal, thereby reducing emissions in the steelmaking process. | |
| **Effects on operations:** Under a 1.5°C scenario (SSP1-1.9), structural demand for high-purity iron ore is expected to strengthen from the medium term (2031–2040) onward as steelmakers adopt lower-emission production routes, resulting in demand for DRPF products and infrastructure investment to accelerate. In a >2°C scenario (SSP2-4.5), growth may be slower initially but could intensify later due to delayed transition efforts and sustained global infrastructure needs through 2050. | **Effects on business model and value chain:** Assessment and acceptability, market and sales, customer processing and manufacture. Effects anticipated on Champion's business model are related to increased demand and premiums for our products. |
| **Adaptation efforts:** To capitalize on this opportunity, Champion has invested significantly in its Bloom Lake mine site, engaged in targeted market studies and client outreach to commercialize our new DRPF capacity. | |
| **Financial effects** | |
| **Current effects:** In FY2026, Champion recorded $140.1 million in capital expenditures for its DRPF project. Additionally, Champion generated approximately $15.9 million in revenue from sales of concentrate to DRI-EAF steelmakers during the financial year, reflecting early commercial activity aligned with this opportunity.<br><br>**Anticipated effects:** In FY2027, the commissioning of the DRPF project is expected to result in a significant portion of Bloom Lake's nameplate capacity being sold as DR-quality iron ore, creating additional revenue potential. The remaining budgeted capital expenditure to complete the DRPF project amounts to $20.4 million, representing the investment required to fully access this opportunity. Overall, with the DRPF plant substantially completed in FY2026 and commissioning expected during FY2027, up to 50% of Champion's production capacity is expected to be aligned with this opportunity and subject to premiums associated with direct reduction quality iron ore.<br><br>Champion is unable to quantify the anticipated financial impact from this opportunity over the short, medium and long term with sufficient precision, as estimating the effects would require assumptions about the future trajectory of DR-grade premiums, the pace of adoption of DRI-EAF steelmaking processes, and prevailing market conditions. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information. In addition, this opportunity spans all time horizons: in the short term, Champion has initiated DR-grade sales during FY2026. Over the medium and long term, premiums associated with DR-quality iron ore are expected to grow as the structural shift toward lower-emission steelmaking accelerates, with more favorable premium dynamics anticipated under a 1.5°C scenario relative to higher-warming scenarios.<br><br>The financial statement line item most reasonably exposed to this opportunity is revenue, through potential premium pricing on DR-quality iron ore sales, and capital expenditures, through the ongoing investment required to complete and operationalize the DRPF plant. Premium dynamics are expected to be more favorable under a 1.5°C scenario relative to higher-warming scenarios, with greater upside anticipated over the medium and long term as the structural shift toward lower-emission steelmaking accelerates. | |
| **Scenario 1.5°C (SSP1-1.9):** By 2050, we anticipate a gradual demand increase at up to 350%[9] by 2050, compared to 2024 levels, under a 1.5°C scenario for DRI material, which requires high-purity iron ore product such as our DRPF. We expect premiums on high-purity iron-ore to rise significantly beginning in our medium-term horizon, reaching a peak toward the end of our long-term horizon.<br><br>**Scenario >2°C (SSP2-4.5):** By 2050, we anticipate a gradual increase in the DRI demand up to 150%[8] by 2050, compared to 2024 levels. Under a >2°C scenario, we expect DRPF premiums to increase more moderately, but still favourably compared to actual pricing, starting in our medium-term horizon, reaching a peak toward the end of our long-term horizon. | **Time horizon**<br><br>Short, medium and long-term. |

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## 4. Climate-related risks and opportunities (continued)

For FY2026, Champion allocated significant investments, capital and operating expenditures, primarily to optimize energy consumption at the Bloom Lake mine site, including several related studies. This budget does not include internal labor costs. The Energy Management team is specifically responsible for implementing these projects, with a focus on reducing Champion's exposure to physical climate risks while taking advantage of the opportunity to access renewable energy sources.

With respect to transition risks and opportunities, Champion relies on the expertise of its internal specialists to identify, classify, and quantify potential impacts. This work has been supported by external advisors to ensure robustness and alignment with best practices. In the short term, the Company does not anticipate significant increases in budget or headcount to address climate-related risks and opportunities, as current resources are considered adequate to deliver on planned initiatives.

This approach reflects continued progress on plans disclosed in previous reporting periods, demonstrating both financial commitment and organizational capacity to address climate-related risks and opportunities in line with Champion's strategic objectives.

## 5. Climate Resilience of Our Business Model & Value Chain

Champion's assessment of climate-related risks and opportunities indicates that, from a financial perspective, the Company is expected to derive greater benefits from climate-related opportunities than it is expected to incur losses from associated risks, particularly those linked to the global transition toward lower-carbon steelmaking.

Physical risks that could reasonably be expected to affect the Company's financial performance or cost of capital are anticipated to gradually diminish over time under a warming climate, as the frequency and severity of extreme cold events, which represent the highest-impact physical hazard to Champion's operations, are projected to decline with rising global temperatures. The remaining physical risks identified by the Company, including wildfire, storm and heavy precipitation, and lightning-related power disruption, are projected to be stable or increase modestly under higher warming scenarios. However, if the objectives of the Paris Agreement are achieved and global warming is limited to well below 2.0 °C, the overall financial exposure is expected to remain similar compared to current conditions, or decrease based on the efficiency of the adaptation measures in place.

As for transition risks and opportunities, although they tend to evolve more rapidly than physical risks, Champion is well positioned to benefit from increasing market premiums for high-purity iron ore and DR-quality iron ore. The benefits are expected to be more pronounced under a 1.5°C scenario, which further reinforces the Company's commitment to pursuing its decarbonization journey and investing in the lower-carbon steelmaking value chain.

Across both transition scenarios (SSP1-1.9 and SSP2-4.5), revenues are projected to increase at a rate that exceeds the anticipated costs of transition-related risks, and this positive differential is expected to widen as global efforts move closer to the SSP1-1.9 scenario. Overall, Champion's financial position is expected to strengthen as demand for DR-grade material grows, supporting the production of steel with substantially lower greenhouse gas emissions compared to traditional blast furnace technologies.

These projections are subject to inherent uncertainties tied to external assumptions, including future commodity prices, the pace of adoption of the DRI-EAF steelmaking route, the availability of renewable and lower-carbon energy in key jurisdictions, and the stringency, timing and implementation of climate policy.

The commercialization of DR-grade products will also enhance Champion's resilience by diversifying its customer base and enabling the Company to engage with customers located closer to its operations, which is expected to reduce transportation distances, associated shipping costs and GHG emissions. In parallel, Champion continues to assess opportunities related to its 66.2% Fe concentrate to ensure alignment with evolving market and customer requirements.

Champion's resilience across climate scenarios is supported by both its strategic positioning and financial flexibility. As at March 31, 2026, the Company held $296.8 million in cash and cash equivalents and $252.7 million in working capital, providing substantial capacity to absorb climate-related disruptions, fund adaptation measures and sustain operations under both transition and physical risk pathways. Together, these factors underpin the Company's ability to navigate an uncertain climate landscape without compromising its growth trajectory or long-term commitments.

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## 5. Climate Resilience of Our Business Model & Value Chain (continued)

Finally, the current and anticipated effects of our climate-related mitigation investments are reflected in both our operational cost structure and revenue outlook. On the operational side, by investing in the resilience of Bloom Lake's infrastructure under the high-emission SSP3-7.0 physical scenario, the Company has secured the robustness of its facilities against adverse climatic conditions. On the revenue side, the Company's investment of approximately $500 million in the DRPF project is expected to directly enhance climate resilience by enabling Champion to capture higher expected premiums for DR-grade material under the 1.5°C pathway, which are anticipated to enhance profitability in both the short and long term.

Champion is therefore well positioned to withstand foreseeable climate-related hazards in its operating regions and to capitalize on the growing market for high-purity, strengthening the overall resilience and long-term competitiveness of its business model. As the Company pursues its growth strategy, it expects to reassess its exposure to climate-related risks and opportunities to ensure its analysis remains aligned with the evolution of its operational footprint and business model.

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# RISK MANAGEMENT

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Champion has established structured and integrated processes to identify, assess, prioritize, and monitor climate-related risks and opportunities, in alignment with the Company's enterprise risk management framework. Champion maintains a comprehensive enterprise risk register supported by several sub-registers, each managed by relevant department heads or designated risk owners, who are responsible for escalating critical risks to the RMC. The RMC, whose governance role is described in the Governance section on page 193 of this report, consolidates and evaluates all critical risks across the organization. Climate-related risks are prioritized using the same enterprise-wide methodology and criteria applied to all other categories of risk, including risk velocity, probability of occurrence, and estimated impact on both operational efficiency and financial performance. Critically, this process is directly and continuously informed by Champion's climate scenario analysis: climate-related risks and opportunities identified under the SSP1-1.9, SSP2-4.5, and SSP3-7.0 scenarios, disclosed in detail in the Strategy section on pages 195 to 210 of this report, serve as primary inputs into the enterprise risk register. This establishes a clear and traceable link between scenario-derived findings and the Company's risk management decisions.

When compared with the previous reporting period, Champion enhanced its processes by formally integrating the assessment of transition risks into its climate-related risk management framework.

**Climate-related risks and opportunities monitoring**

Champion monitors climate-related risks and opportunities through a structured process that combines regular reviews, integration into enterprise risk management, and governance oversight, as described below. The governance oversight that applies across all monitoring activities is consistent with the roles and responsibilities described in the Governance section on pages 192 to 194 of this report. Climate-related risks and opportunities deemed critical are communicated to the RMC, which approves corresponding risk management strategies and oversees the implementation of mitigation plans. The RMC informs the Management team, which is responsible for ensuring that the management of those risks is aligned with Champion's overall strategy. Where a climate-related risk or opportunity is assessed as reasonably likely to affect the Company's financial performance, it is escalated to the SIA Committee for information or decision-making.

As part of its ongoing risk monitoring, transition-related risks are reviewed on a quarterly basis by an internal team of analysts, structured around the risk taxonomy established through the SSP1-1.9 and SSP2-4.5 scenario analysis, with a focus on risks and opportunities that could reasonably be expected to affect the Company's cash flows, access to finance, or cost of capital over the short, medium and long term.

During the first half of FY2026, the team dedicated its efforts to developing and formalizing the transition risk assessment methodology, including the definition of the risk taxonomy, scenario selection, and materiality criteria. The quarterly review process was subsequently initiated in January 2026, with the first review covering the Q3 financial period. Going forward, quarterly reviews are expected to occur consistently throughout the financial year.

In addition, physical risks were comprehensively assessed during FY2025 and reviewed in FY2026 using the site-specific hazard projections developed under the SSP1-1.9 and SSP3-7.0 scenarios, covering Bloom Lake, the rail corridor, and the Port of Sept-Îles. Adaptation and mitigation efforts were developed at that time and are monitored on an ongoing basis, particularly in light of weather forecasts, to ensure their continued effectiveness. A formal annual review is also conducted to reassess their management, adequacy, forecast and current financial effect as reported on pages 201 to 208 in the previous Strategy section of this report.

Each year, the climate analysts team quantifies the potential financial impacts of both transition and physical risks, using methodological assumptions consistent with those disclosed on pages 197 to 199 in the Strategy section of this report. Findings are escalated through the governance pathway described above.

Champion identifies and monitors climate-related opportunities through regular reviews of market, policy, technological, energy, and reputational trends. The climatic effects of physical hazards are also modeled to assess their operational impacts, which in certain cases may reduce operating costs and therefore constitute opportunities.

# Risk Management (continued)

**Inputs, parameters and data used**

Champion relies on a range of inputs and parameters to assess climate-related risks and opportunities, tailored to the type of risk under review. Transition risk analyses incorporate assumptions on commodity prices, energy and technology trends in the steel and mining industries, and policy developments at local, national, and international levels. Physical risk assessments use inputs including the manifestation of physical hazards and their estimated costs, either through damage to infrastructure or lost production capacity. Various recognized scientific sources inform the assumptions and estimated impacts under each climate scenario. These parameters ensure that both risk categories are evaluated using relevant, evidence-based information aligned with the operational realities of Champion's business model and value chain.

**Climate-related Risks and opportunities assessment**

Champion evaluates climate-related risks using a combination of qualitative and quantitative criteria. Transition risks are assessed through monitoring of market, policy, technological, legal, and reputational trends, while physical risks are evaluated based on site-specific climate variables such as extreme temperatures, precipitation, and potential disruptions to rail transportation and port operations.

To assess the magnitude of each transition risk and opportunity, the Company applies an internal methodology that evaluates probability and impact level. A higher probability score indicates that materialization of the risk is imminent, while the lowest score is assigned when no reasonable indication suggests the emergence of a given risk. The impact level reflects the estimated financial consequence should the risk materialize, with a score of 5 deemed material and a score of one deemed marginal. The combination of these variables determines the overall magnitude of the risk or opportunity. This type of risk matrix is used at Champion t assess health and safety and environmental risks and is also widely used in the mining industry.

For physical risks, magnitude is determined by multiplying consequence and likelihood, each rated on a five-point scale consistent with the approach applied to transition risks. This process allows the Company to determine the overall criticality of each physical risk. For FY2026, none of those risks were deemed critical. This conclusion is supported by a physical risk assessment originally conducted in 2019 by an independent third-party consultant, which evaluated the nature, likelihood and magnitude of climate-related physical risks across Champion's operational footprint at that time. As referenced above, the assessment was reviewed and updated in FY2025, incorporating revised climate projections across all scenarios, including high-emission pathways. The updated assessment concluded that changes in climatic conditions since 2019 were not of sufficient magnitude to alter the original findings. Accordingly, Champion's operations are assessed to be resilient to physical climate risks across the relevant time horizons, including under higher-warming scenarios, with residual risks managed through the adaptation efforts and mitigation measures described in this report.

As part of our commitment to sustainable business practices, we have conducted a comprehensive assessment of our exposure to climate-related risks and opportunities. We assessed all major business assets and activities under our climate risk framework, covering both transition and physical risks, as well as alignment with climate-related opportunities. Based on current assessments, the Company does not expect to deploy significant additional capital expenditure, financing or investment to mitigate identified climate-related physical risks. With respect to transition risks, the costs associated with the identified risks, including those related to policy, legal, technology, market, and reputational factors, are anticipated to be absorbed within the Company's existing operational cost structure and are not expected to require material incremental capital deployment. Across both transition scenarios assessed, SSP1-1.9 and SSP2-4.5, projected revenue growth driven by increasing demand and pricing premiums for high-purity and DR-quality iron ore is expected to exceed the financial impact of transition-related risks, resulting in an expected net positive outcome for the Company over the short, medium, and long term. Climate-related opportunities are expected to be revenue-accretive, primarily through anticipated pricing premiums associated with the commercialization of DR material, without requiring expected material incremental capital deployment. The table below highlights the scale of climate-related risks and opportunities related to Champion's assets and revenues.

To assess the vulnerability of financial statement elements to climate-related risks and their alignment with climate-related opportunities, as disclosed in the Metrics & Targets section on pages 214 to 217 of this report, the Company first identifies the relevant assets or business activities exposed to each category. It then quantifies both the absolute amount and the corresponding percentage relative to the total value of the associated financial statement line item or activity. This approach provides a consistent basis for evaluating the relative significance of climate-related risks and opportunities and enhances the transparency and comparability of the disclosed metrics. The risks and opportunities presented in this report are those currently assessed as having the potential to affect the Company’s prospects. However, the Company maintains a dynamic review process, conducted on a quarterly basis, that also considers risks and opportunities not presently deemed material but that may become so over time as conditions evolve or additional information becomes available.

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# Risk Management (continued)

**Climate-related Risks and opportunities assessment** (continued)

**Table 3 - Scale of Exposure to Climate-Related Risks & Opportunities (CAD millions)**

| Risk Domain | Risk/Opportunity | Impact on Financial Statements | Total (Financial Statements item) (In millions of dollars) | Risk/Opportunity Financial Impact - FY2026 | Risk/Opportunity Anticipated Financial impact |
|---|---|---|---|---|---|
| **PR1** | Uncontrolled wildfire | Revenue | $1,770 | 0$ (0%) – No occurrence in FY2026 | Uncertain |
| **PR2** | Storm and heavy precipitation | COGS (Salaries) | $167 | $0.2 million (<1%) cost | |
| **PR3** | Lightning-related power disruption | Revenue | $1,770 | $5.0 million (<1%) deferred revenues | |
| **PR4** | Extreme cold impacting concentrate transportation and handling | Revenue | $1,770 | $37.0 million (2%) operational disruptions and deferred revenues | |
| **TR1** | Energy prices and availability | COGS (Energy expenses) | $96 | 0$ (0%) - No Impact | Uncertain - Could be up to $48.0 million (50%) energy cost savings |
| **TR2** | Freight costs | COGS (Freight costs) | $573 | 0$ (0%) - No Impact | Uncertain - Could be at up to $77.0 million to $292.6 million (13% to 51%) based on IMO's report. |
| **TR3** | Climate policy regulation | COGS (Petroleum based fuel) | $71 | $5.4 million (8%) fuel related carbon tax | Uncertain |
| **TO1** | Structural Shift in the Steel industry's Production Methods | Revenue | $1,770 | $15.9 million (1%) of added revenues in the financial year | Uncertain |

P = Physical, T = Transition, R = Risks, O = Opportunities

Building on our comprehensive assessment of climate-related risks and opportunities, the Company also incorporates carbon pricing into its decision-making processes. Under Québec's Cap-and-Trade System ("SPEDE"), the Company's facilities are subject to emissions caps, primarily linked to stationary fuel oil consumption, while for mobile assets, such as haul trucks, diesel suppliers include the cost of emissions allowances directly in invoices. In assessing projects, we incorporate both the price of carbon taxes and the cost of energy to evaluate potential savings or additional costs, ensuring that carbon pricing informs our investment and operational decisions. The carbon price applied in these analyses was set at CAD $100 per metric tonne of greenhouse gas emissions, which would represent about twice the current SPEDE market price at approximately CAD $55 per metric tonne of GHG emissions at the last market opening.

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# METRICS & TARGETS

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Champion uses climate-related metrics and targets to monitor, manage and disclose the financial impacts, risks and opportunities associated with climate change. As part of this approach, the Company measures and reports its absolute gross greenhouse gas emissions across direct (Scope 1), indirect (Scope 2) and, on a voluntary basis other indirect emissions (Scope 3)[14]. Champion has mapped its value chain and established a consistent emissions quantification methodology guided by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)[15], supported by a reputable third-party consultant. Scope 3 emissions are disclosed with reference to the categories defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and are not intended to represent full compliance with the requirements of the AASB S2 measurement framework. As this is Champion's first report prepared according to the AASB S2 standard, the metrics and targets disclosed reflect current data availability, administrative constraints, and measurement capabilities. All relevant Scope 3 categories have been assessed and those not disclosed were deemed not material or not applicable based on this assessment. Certain Scope 3 emission categories, while identified, could not be quantified for the current reporting period due to data accessibility limitations.

**Table 4 - Champion GHG emissions for the Financial Year 2026[16]**

| | FY2025 | FY2026 |
|---|---|---|
| **Scope 1 (t $CO_2e$)** | 123,928 | 136,325 |
| **Scope 2 (t $CO_2e$)[16]** | 976 | 1,066 |
| **Scope 3 (t $CO_2e$)** | 18,692,562 | 20,711,345 |

**Measurement Approach, Inputs and Assumptions**

Scope 1 and Scope 2 greenhouse gas emissions are calculated using activity data, including consumption of diesel, gasoline, light fuel oil, explosives and hydroelectricity. Scope 1 data are internally reconciled and multiplied by emission factors published by Québec's Ministry of the Environment in February 2025[17]. Champion measures its Scopes 1 and 2 greenhouse gas emissions in accordance with the GHG Protocol. This measurement approach and the related inputs and assumptions were selected to ensure consistency with regulatory requirements and alignment with the GHG Protocol.

Additionally, Champion consolidates its GHG emissions using the operational control approach, in accordance with the GHG Protocol. This approach was selected as it best reflects the Company's organizational structure, whereby Champion and its wholly owned subsidiary QIO exercise full operational control over the Bloom Lake Mining Complex, the only operation currently in production. Under this approach, the Company accounts for 100% of its Scopes 1 and 2 emissions from operations over which it has operational control and excludes emissions from operations where it does not have such control. As at the end of the reporting period, Champion had no joint ventures, associates, or other investees requiring disaggregation of Scopes 1 and Scope 2 emissions.

All direct (Scope 1) and indirect (Scope 2) emissions from Bloom Lake are therefore fully consolidated into Champion's GHG inventory. There were no changes to the measurement approach, inputs or assumptions used to measure greenhouse gas emissions during the reporting period compared with those applied in the restated FY2025 comparative figures. Champion's Scope 2 emissions are reported on a location-based basis using the provincial emission factor, which reflects Québec's predominantly hydroelectric energy mix as published by the Government of Canada[18]. Champion does not use any contractual instruments such as renewable energy certificates, power purchase agreements, or guarantees of origin. Accordingly, no market-based Scope 2 figure has been prepared, as the location-based method is considered the most representative measure of the Company's actual electricity-related emissions. Champion's Scope 2 disclosures therefore reflect 100% of the electricity consumed at its current operating site.

[14] This voluntary information is not required to be included by the Corporations Act 2001 or AASB S2 and is not subject to the same assurance and liability regime as the rest of this report.

[15] For more information on the Greenhouse Gas Protocol, please visit their website.

[16] Comparative FY2025 GHG emissions data have been revised from those reported in the prior year's report due to the use of more recent and reliable emission factors. Last year, we reported a total of 18,287,918 t $CO_2e$. During the year, we reviewed the emission factor used to assess the category 10 of our Scope 3, and rerun the calculations, leading to an increase of 404,643 t$CO_2e$.

[17] For further information on emission factors and quantification methodologies, refer to the Greenhouse Gas Emissions Quantification Guide (MELCCFP, February 2025)

[18] Although no contractual instruments are used and a formal market-based Scope 2 figure has not been prepared, Champion's operations at Bloom Lake are supplied through a dedicated Hydro-Québec connection sourced from hydroelectric generation. In this context, the location-based provincial emission factor is considered a reliable indicator of the market-based intensity, as the electricity supplied to the facility is sourced from a grid that is overwhelmingly hydroelectric in nature. The difference between a location-based and market-based Scope 2 intensity is therefore expected to be negligible. Environment and Climate Change Canada. National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada. Government of Canada, 2025.

# Metrics & Targets (continued)

**Measurement Approach, Inputs and Assumptions** (continued)

As noted above, the following Scope 3 disclosures described in Table 5 are voluntary and do not represent full AASB S2 compliance. Following a comprehensive assessment of its value chain, the Company has identified and disclosed those Scope 3 categories relevant to its operations, including purchased goods and services, capital goods, fuel and energy-related activities, upstream and downstream transportation and distribution, business travel, employee commuting, and processing of sold products. All 15 Scope 3 categories have been considered and categories not disclosed were deemed not material or not applicable based on this assessment. The table below highlights each applicable category, a brief description of the category and the methodological approach used to assess the related emissions, including spend-based, distance-based, fuel-based and average-data approaches[19].

**Table 5 - Scope 3 category, description and approach**

| Scope 3 categories | Description | Approach | FY2026 emissions (t $CO_2e$) |
|---|---|---|---|
| **Cat 1. Purchased goods and services** | All upstream (cradle-to-gate)[20] emissions from the production of products purchased | Spend-based | 192,700 |
| **Cat 2. Capital goods** | All upstream (cradle-to-gate) emissions from the production of capital goods purchased. | Spend-based | 34,838 |
| **Cat 3. Fuel and energy-related activities** | Emissions related to the extraction, production, and transportation of energy purchased. | Average data | 28,381 |
| **Cat 4. Upstream transportation and distribution** | Transportation and distribution of products and goods purchased, between suppliers and our Company, (excluding fuel and energy products). Third-party transportation and distribution services of our iron ore, either by train or boat. | Inbound transportation: Spend-based<br>Rail: Fuel-based<br>Cargo ship: Distance-based | 704,910 |
| **Cat 6. Business travel** | All emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. | Spend-based | 903 |
| **Cat 7. Employee commuting** | All emissions from the transportation of employees between their homes and their worksites. | Bus, Commercial flights: Spend-based<br>FIFO: Distance-based | 6,318 |
| **Cat 9. Downstream transportation** | All emissions that occur from transportation and distribution of sold products which are operated directly by steelmakers and not by a third-party transporter as in category 4. | Distance-based | 113,936 |
| **Cat 10. Processing of sold product** | All Emissions from processing of sold iron ore products by third parties | Average-data | 19,629,359 |

For each applicable category, data availability is evaluated and appropriate emission factors are selected to reflect the specific emission intensity of the underlying items. Consequently, multiple emission factors are applied, ensuring accurate representation of emission sources across the Company's value chain. Scope 3 emissions are estimated using a combination of primary and secondary data, depending on availability and a portion of these data may be based on unverified inputs. Except for updating the emission factors to reflect the most up-to-date energy data and the emissions from steel mills and processing methods in the regions where we sell our iron ore, we have not changed our measurement approach, inputs, or assumptions.

To reinforce the integration of sustainability into corporate governance, climate-related considerations are incorporated into the Management's remuneration, including progress on climate strategy and GHG reduction initiatives. The Remuneration, People and Governance Committee oversees these climate-related metrics and makes recommendations to the Board. Additional details are disclosed in the Company's Remuneration Report.

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[19] The following Scope 3 categories were assessed and determined to be either not applicable or not reportable for the current period: Category 5 (waste generated in operations) is identified as a relevant category; however, it was deemed not material. Category 8 (upstream leased assets) is not applicable as Champion does not hold any upstream leased assets. Categories 11 (use of sold products) and 12 (end-of-life treatment of sold products) are not applicable as Champion supplies iron ore concentrate to steelmakers and does not have visibility over the downstream use or end-of-life treatment of the steel produced from its products. Category 13 (downstream leased assets) is not applicable as Champion does not hold any downstream leased assets. Category 14 (franchises) is not applicable as Champion does not operate under a franchise model. Champion does not engage in asset management, commercial banking or insurance activities; accordingly, Category 15 greenhouse gas emissions (investments or financed emissions) are not applicable.

[20] "Cradle-to-gate" is a standard GHG Protocol term that describes the portion of a product's lifecycle from raw material extraction ("cradle") through to the point it leaves the facility ("gate"), excluding downstream transportation and processing.

# Metrics & Targets (continued)

**Measurement Approach, Inputs and Assumptions** (continued)

Specifically, climate change targets linked to executive performance for the FY2026 period include identifying and disclosing physical and transition climate-related risks and opportunities, analyzing their financial impact where possible, while optimizing the Company's position in mitigating risks and leveraging opportunities in the green steel supply chain.

A portion of executive compensation is linked to climate-related performance metrics through the STI Program. Specifically one sixth of the STIP representing 5% of the total bonus opportunity is tied to climate metrics. Based on the bonus range of 80% to 125% of base salary depending on the executive, this corresponds to approximately 0.7% to 0.9% of total compensation being directly linked to climate-related performance.

**Targets**

Champion acquired the Bloom Lake Mine assets in 2016 and recommissioned operations in 2018. The Company uses 2014, the final year of operations under the previous owner, as the baseline year for assessing progress toward its GHG emissions reduction target. In that year, the Bloom Lake Mine reported an emissions intensity of 13.86 kg $CO_2e$ per tonne of iron ore concentrate produced.

The Company applies a target assessment approach that incorporates an adjustment factor to the carbon intensity of mobile emissions based on average haul cycle time and strip ratio. Using this approach, the Company is committed to reducing GHG emissions intensity by 40% by 2030 from the 2014 baseline, adjusted for 66.2% Fe concentrate production and average haul cycle time and strip ratio, for the Bloom Lake mine site. The Company also remains committed to achieving carbon neutrality by 2050.

Furthermore, Champion remains committed to its long-term target to achieve carbon neutrality by 2050 for its Bloom Lake mine site. This reduction target aligns with the Government of Canada's 2030 climate objectives, which are consistent with the Paris Agreement goal of limiting global temperature increase to well below 2°C pre-industrial levels and pursue efforts to limit it to 1.5°C.

The objective of these targets is to reduce Champion's operational impact on climate change. Champion's GHG reduction targets apply exclusively to its operations at the Bloom Lake Mine.

At this stage, Champion has not established interim targets ahead of its 2030 and 2050 objectives. The following table summarizes the key characteristics of the Company's two climate targets.

**Table 6 - Summary of Champion's GHG reduction targets[21,22,23]**

| Topics | Target 1 | Target 2 |
|---|---|---|
| **Scopes 1 and 2 intensity target** | 8.32 kg of $CO_2e$ adjusted per tonne of 66.2% Fe tonne produced and mean haul cycle time and strip ratio, for the Bloom Lake mine site. | Carbon neutrality |
| **Time horizon** | Medium term, by 2031[21] | Long term, by 2051 |
| **Objective** | Mitigate | Mitigate |
| **Scope** | Bloom Lake mine site | Bloom Lake mine site |
| **Period** | May 2022 to March 2031 | May 2022 to March 2051 |
| **Base period** | 2014 intensity: 13.86 kg of $CO_2e$ adjusted per tonne of 66.2% Fe tonne produced, mean haul cycle time and strip ratio, for the Bloom Lake mine site. | Not applicable |
| **Target's nature** | Intensity | Absolute |
| **Alignment[22]** | Align with Canada's NDC | Not aligned with Canada's NDC[23] |

[21] Champion's 2030 target refers to the financial year ending March 31, 2031, consistent with the Company's financial year reporting period.
[22] Canada is committed and determined to achieve net-zero emissions by 2050 and contribute to global efforts to limit global temperature increase to well below 2° C above pre-industrial levels and pursue efforts to limit it to 1.5° C. To that effect, the Government of Canada's 2035 NDC is to reduce emissions by 45-50% below 2005 levels by 2035, building on the 2030 target of 40-45% below 2005 levels. CANADA'S 2035 NATIONALLY DETERMINED CONTRIBUTION.
[23] Champion's 2050 reduction target is to reach carbon neutrality, while Canada has a net zero target for 2050.



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# Metrics & Targets (continued)

**Targets** (continued)

Champion's emissions profile is dominated by Scope 3 emissions, which at 20,711,345 t $CO_2e$ represented more than 99% of the Company's total greenhouse gas footprint in FY2026, compared to approximately 137,391 t $CO_2e$ for combined Scopes 1 and 2 emissions. This profile reflects the carbon intensity of the downstream steelmaking processes in which Champion's products are consumed and defines where the Company's most meaningful contribution to decarbonization lies.

The Company's investment of approximately $500 million in the DRPF project, now substantially completed, will allow the production of direct reduction quality iron ore at up to 69% Fe, which will position Champion to supply customers operating DRI-EAF steelmaking facilities, a production route with lower greenhouse gas emissions than conventional blast furnace methods. The commercialization of DRPF products is also expected to expand Champion's customer base to include steelmakers located closer to its operations, reducing freight distances and the associated emissions from transportation.

As we continue to optimize operations, we further evaluate initiatives and alternatives towards meeting our 2030 GHG reduction target. To support these goals, we identified two specific project categories: energy efficiency initiatives at the mine and at the plant and electrification processes. We continue to assess opportunities to develop and implement projects aimed at reducing emissions across our operations. These initiatives are designed to help us progressively reduce our emissions and position the Company to achieve carbon neutrality by 2050.

Champion's GHG reduction targets were not reviewed by a third party. However, the targets were approved by the Board of Directors in 2022 at the time when the targets were established. To monitor its progress, Champion regularly evaluates its GHG emission scenarios depending on the implementation of additional energy efficiency or electrification measures, which are expected to contribute to reaching its targets.

This helps the team estimating and projecting our GHG emissions for the FY2031, which is in line with our target 1 as highlighted in the previous table. Each year, the Company assesses its trajectory towards the targets and evaluates the needs to adjust its financial support towards initiatives that could contribute to meeting GHG reduction targets.

Champion estimates that it has achieved approximately a 16% reduction in GHG emissions intensity through investments aimed at improving energy efficiency and electrifying its operations with an intensity of 11.64 kg of $CO_2e$ for the FY2026 period. The Company's energy team has identified multiple projects that could contribute to meeting the 2030 reduction target, and opportunities to further reduce our GHG footprint are continuously being evaluated. Beyond their contribution to GHG reduction, these energy efficiency and electrification initiatives directly address the transition risk associated with energy price volatility and availability, as identified in the Company's climate risk assessment.

By reducing overall energy consumption and progressively substituting fossil fuel-based energy sources with lower-carbon alternatives, Champion is actively working to reduce its exposure to fluctuations in energy costs and potential supply constraints, thereby strengthening the resilience of its cost structure under future climate scenarios. As these projects are expected to require additional capital investment, Champion is carefully assessing each opportunity to ensure that its decarbonization initiatives remain aligned with long-term value creation for both stakeholders and shareholders.

Champion's GHG targets cover the consumption of diesel, gas, light fuel oil, explosives and hydroelectricity. To assess their GHG emissions, the Company uses the Guide de quantification des émissions de gaz à effet de serre, published by the Government of Québec in 2025[24]. Additionally, our GHG targets cover our gross Scopes 1 and 2 emissions and were not derived using a sectoral decarbonization approach but are rather aligned with Canada's NDC for 2030. Finally, the Company has not determined whether or not it'll use carbon credits to meet its GHG reduction targets and is not opposed to using them if necessary to achieve our targets. In the event that carbon credits need to be used, the Company will consider the usage of high-quality carbon credits, ideally based on natural measures and for a limited percentage of its reduction target.

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[24] Although the S2 standard specifically asks which GHGs are covered by the target, Champion has not defined its target based on different GHGs, but rather in relation to total emission. Hence, our target is considered in $CO_2$ equivalent.

# DIRECTORS' DECLARATION

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In the opinion of the directors of Champion Iron Limited, (the Company), the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively the Group) for the year ended on March 31, 2026, as presented on pages 188 to 217, are in accordance with the Corporations Act 2001, including:

(i) Complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and

(ii) Containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

Made in accordance with a resolution of the directors of Champion Iron Limited pursuant to section 296A(6) of the Corporations Act 2001, as modified by section 1707C(2) of the Corporations Act 2001.

/s/ Michael O'Keeffe
On behalf of the board
Michael O'Keeffe
Executive Chairman of the Board

Dated on May 28, 2026

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# Independent auditor's review report to the members of Champion Iron Limited

## Conclusion

We have conducted a review of the following information in the Sustainability Report of Champion Iron Limited (the Company) and its subsidiaries (collectively the Group) for the year ended March 31, 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

| Selective sustainability information | Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) | Location in Sustainability Report |
|---|---|---|
| Governance | Paragraph 6 | Pages 192 to 194: Climate-related Governance |
| Strategy (risk and opportunities) | Subparagraphs 9(a), 10(a) and 10(b) | Pages 201 to 208: Climate-related risks and opportunities, specifically *Nature of Risk* and *Nature of Opportunity* paragraphs and risk type |
| Scope 1 and 2 emissions | Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v) | Page 214: For FY2026, Scope 1 (t CO2e) and Scope 2 (t CO2e) in Table 4 and paragraphs 1 to 3 in section Measurement Approach, Inputs and Assumptions |

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

## Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less

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in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Other matter

Comparative information was not subject to an assurance engagement in the prior period. In connection with our review on the selective sustainability information, our responsibility is to determine whether the comparative information is appropriately presented, by evaluating its consistency with the disclosures presented in the prior period and the consistency of the criteria with the criteria applied in the current period. Our conclusion is not modified in respect of this matter.

## Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

## Inherent limitations

As discussed on page 2 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

## Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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## Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Champion Iron Limited's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Siobhan Hughes
Partner
Sydney
May 28, 2026

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# 08. ADDITIONAL STOCK EXCHANGE INFORMATION



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# STOCK EXCHANGE INFORMATION

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The additional information set out below relates to the ordinary shares of the Company as at April 20, 2026. The Company does not hold other classes of equity securities, which excludes shares held by its subsidiaries.

## 1. Distribution of Equity Security Holders[1] as at April 20, 2026

| Size of Holding | Number of Holders | Shares | % of issued Capital |
|---|---|---|---|
| 1 to 1,000 | 1,913 | 734,917 | 0.14 % |
| 1,001 to 5,000 | 942 | 2,305,555 | 0.43 % |
| 5,001 to 10,000 | 203 | 1,561,994 | 0.29 % |
| 10,001 to 100,000 | 232 | 7,600,092 | 1.43 % |
| 100,000 and over | 87 | 521,048,443 | 97.71 % |
| | 3,377 | 533,251,001 | 100.00 % |

## 2. Substantial Shareholders as at April 20, 2026

The Company has received substantial shareholder notifications from the shareholders below. The following table sets out the shareholding of each substantial shareholder from these substantial shareholder notifications with the percentage of issued share capital updated for the current issued share capital of the Company.

| Name of Shareholder | Date of Notice | Number of Ordinary Shares | % of issued Capital[3] |
|---|---|---|---|
| Caisse de Dépôt et Placement du Québec | April 10, 2026 | 47,505,977 | 8.48 % |
| Mr. Michael O'Keeffe (and associates)[2] | September 4, 2023 | 43,023,830 | 7.68 % |
| Investissement Québec | May 12, 2021 | 43,500,000 | 7.77 % |
| WC Strategic Opportunity LP | August 2, 2021 | 41,944,444 | 7.49 % |
| State Street Corporation | August 26, 2025 | 37,529,209 | 6.70 % |

## 3. Marketable Parcels as at April 20, 2026

374 shareholders held less than a marketable parcel of ordinary shares as at April 20, 2026.

## 4. Voting Rights

All ordinary shares issued by the Company carry one vote per share without restriction.

[1] Distribution of equity security holders reflecting the Australian register.
[2] Mr. Michael O'Keeffe (and associates) holdings as of April 20, 2026 of 41,623,830. Mr. Michael O'Keeffe holdings include Propsect AG Trading PL and CIP Subsidiary Pty Ltd.
[3] Calculated using the number of ordinary shares held as per relevant sources, then divided by the total shares on issue as at April 20, 2026.

# Stock Exchange Information (continued)

## 5. Twenty Largest Shareholders as at April 20, 2026

The following table lists the 20 largest registered holders of the Company's shares, together with the number of shares and the percentage of the issued capital each holds, as of April 20, 2026, being the last practicable date.

Many of the 20 largest shareholders shown below hold shares as a nominee or custodian. In accordance with the reporting requirements, the tables reflect the legal ownership of shares and not the details of the underlying beneficial holders.

| | Name of Shareholder | Number of Ordinary Shares | % of issued Capital[4] |
|---|---|---|---|
| 1 | HSBC Custody Nominee Aust Ltd | 89,182,398 | 15.92 % |
| 2 | Citicorp Nominees PTY Ltd | 68,703,806 | 12.27 % |
| 3 | Caisse de Dépôt et Placement du Québec | 47,505,977 | 8.48 % |
| 4 | Mr. Michael O'Keeffe (and associates)[2] | 43,023,830 | 7.68 % |
| 5 | Investissement Québec | 43,500,000 | 7.77 % |
| 6 | JP Morgan Nominees Australia PTY Ltd | 43,089,445 | 7.69 % |
| 7 | WC Strategic Opportunity LP | 41,944,444 | 7.49 % |
| 8 | State Sreet Corporation | 37,529,209 | 6.70 % |
| 9 | BNP Paribas Noms PTY Ltd | 10,740,090 | 1.92 % |
| 10 | Metech Super PTY Ltd | 10,000,000 | 1.79 % |
| 11 | BNP Paribas Nominees PTY Ltd - Agency Lending | 3,236,449 | 0.58 % |
| 12 | HSBC Custody Nominees Australia Ltd - A/C 2 | 2,988,735 | 0.53 % |
| 13 | BNP Paribas Nominees PTY Ltd - Custodial Serv Ltd | 2,325,127 | 0.42 % |
| 14 | Mr. David Cataford | 2,218,439 | 0.40 % |
| 15 | HSBC Custody Nominees Australia Ltd - NT - Comnwlth Super Corp A/C | 2,211,581 | 0.39 % |
| 16 | Bass Family Foundation PTY Ltd | 1,660,000 | 0.30 % |
| 17 | BNP Paribas Noms PTY Ltd - Global Markets | 1,440,208 | 0.26 % |
| 18 | HSBC Custody Nominees Australia Ltd | 1,132,480 | 0.20 % |
| 19 | Mr. Andrew James Brockbank | 900,000 | 0.16 % |
| 20 | BNP Paribas Nominees PTY Ltd | 897,690 | 0.16 % |

Shareholder information sourced from transfer agents reports, ASX filings and System for Electronic Disclosure by Insiders ("SEDI"). The twenty largest shareholders list is based on the registered holdings, which does not include underlying beneficial holdings, and as such may not reflect all shareholders of the Company.

[4] Calculated using the number of ordinary shares held as per relevant sources, then divided by the total shares on issue as at April 20, 2026.



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# 09.
# RISK FACTORS




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# RISK FACTORS

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An investment in the securities of the Company is highly speculative and involves significant risks. If any of the events contemplated in the risk factors described below occurs, the Company's business, operating results and financial condition may be materially adversely affected. In that event, the trading price of the Company's securities could decline and securityholders may lose all or part of their investment. The risks described herein are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially adversely affect the Company's business, operating results and financial condition.

*Iron Ore Prices*

The Company's principal business is the exploration, development and production of iron ore. The Company's operating results and financial condition are largely dependent on movements in the price of iron ore, over which the Company has no control. Iron ore prices have historically been volatile and are primarily affected by the demand for and price of steel in addition to the supply and demand balance. Given the historical volatility of iron ore prices and lower prices experienced in recent years, there are no assurances that the iron ore price will remain at economically attractive levels. An increase in iron ore supply without a corresponding increase in iron ore demand would be expected to result in a decrease in the price of iron ore. Similarly, a decrease in iron ore demand without a corresponding decrease in the supply of iron ore would be expected to result in a decrease in the price of iron ore.

A continued decline in iron ore prices would adversely impact the business of the Company and could affect the feasibility of the Company's projects. A continued decline in iron ore prices would also be expected to adversely impact the Company's ability to attract financing. There is no assurance that, even as commercial quantities of iron ore are produced, a profitable market will exist for it. A decline in the price of iron ore may also require Champion to write down its ore reserves and mineral resources, which could materially adversely affect the Company's business, operating results and financial condition.

Iron ore prices are also affected by numerous other factors beyond the Company's control, including the exchange rate of the United States dollar with other major currencies, the overall state of the economy and expectations for economic growth (including as a result of global and regional demand, epidemics, extreme seasonal weather conditions, geopolitical events such as the conflicts in the Middle East and between Russia and Ukraine, global economic conditions, including trade protection measures such as tariffs and import and export restrictions as well as retaliation measures adopted in response thereof, or the tensions between China and other countries, production levels, and costs and transportation costs in major iron ore producing regions). The escalation of conflicts in the Middle East during the first half of 2026 resulted in a material increase in geopolitical risk to global iron ore and steel markets, via higher costs, disrupted trade flows, and weaker demand confidence. See also *"Freight Costs", "Trade Barriers" and "Epidemic Outbreaks, Boycotts and Geopolitical Events"* below.

The Company cannot predict the future impact of those factors on iron ore prices, nor whether those factors will continue or if other factors that may negatively affect iron ore prices and high-purity iron ore premiums will emerge. If as a result of a decline in iron ore prices, revenues from iron ore sales were to fall below cash operating costs, the feasibility of continuing operations and development activities would be evaluated and, if warranted, could be reduced or discontinued. Any reduction or discontinuation of operations or development activities could in turn materially and adversely affect the Company's business, operating results and financial condition.

*Operating Costs*

The Company's financial performance is affected by its ability to achieve production volumes at certain cash operating costs. The Company's expectations with respect to cash operating costs are based on the mine plan that reflects the expected method by which the Company will mine ore reserves at the Bloom Lake Mine and the expected costs associated with the plan. Actual iron ore production and cash operating costs may differ significantly from those the Company has anticipated for a number of reasons, including variations in the volume of ore mined and ore grade, which could occur because of changing mining rates, ore dilution, varying metallurgical and other ore characteristics and short-term mining conditions that require different sequential development of ore bodies or mining in different areas of the mine. Mining rates are impacted by various risks and hazards inherent during operation, including industrial accidents, natural phenomena, such as inclement weather conditions, and unexpected civil disobedience and protests, labour shortages or strikes or availability of mining fleet. Cash operating costs are also affected by ore characteristics that impact recovery rates, as well as labour costs, the cost of mining supplies and services, maintenance and repair costs of mining equipment and installations, foreign currency exchange rates and stripping costs incurred during the production phase of the mine, and some of these costs have in the past and may continue in the future to be exacerbated by inflationary pressure and other factors.

## Risk Factors (continued)

*Operating Costs* (continued)

Energy prices (including the price for fuel needed for operations at the mine site) can be affected by numerous factors beyond the Company's control, including global and regional supply and demand, political, geopolitical and economic conditions and applicable regulatory regimes. The prices and various sources of energy the Company relies on have increased significantly recently and may increase further from current levels in the future, which could materially adversely affect the Company's business, operating results and financial condition.

In the normal course of operations, the Company manages each of these risks to mitigate, where possible, the effect they have on operating results. However, any significant change in any of the foregoing could have a negative impact on the Company's operating costs, which could in turn materially adversely affect the Company's business, operating results and financial condition. See also "*Freight Costs" and "Epidemic Outbreaks, Boycotts and Geopolitical Events*" below.

*Freight Costs*

Sea freight is an important component of the Company's cost structure as it ships nearly all of its iron ore concentrate to several regions overseas. The Company uses external sea freight to ship most of its iron ore concentrate. Global sea freight capacity issues, which have from time to time been exacerbated by factors beyond the Company's control, including port congestion globally and, in recent years, the ongoing conflicts in the Middle East and related disruption to shipping through the Strait of Hormuz and high fuel prices which continue to face upward pressure, in addition to ongoing inflationary pressure, persist worldwide. Such dynamics, in tandem with limited capacity and equipment, has resulted in the past and may continue to cause longer shipping times and price increases. Although the Company is seeking to manage and reduce its freight premium volatility, including through freight contracts, the Company remains exposed to fluctuations in freight costs. Adverse fluctuations in freight costs, including as a result of general economic conditions, rising fuel prices, decreased vessel availability or otherwise, could materially adversely affect the Company's business, operating results and financial condition.

*Infrastructure and Reliance on Third-Parties for Transportation of the Company's Iron Ore Concentrate*

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. To develop its Bloom Lake Mine, the Company has entered into agreements for various infrastructure requirements, including power, rail transportation and port access with various industry participants (including external service and utility providers such as rail companies, loading and port authorities) necessary for the transportation and handling of production of Bloom Lake iron ore. Disruption in such services, including due to equipment or infrastructure breakdown or deficiencies (such as the third-party train derailment which occurred on the Quebec North Shore and Labrador railway, which forced the Company to stockpile high-purity iron ore concentrate at its mine site) have in the past affected and could in the future affect the operating results and financial condition of the Company and its ability to transport its product according to its schedules and contractual commitments. Most of the Company's other mineral properties are located in relatively remote areas at a distance from existing infrastructure. Active mineral exploitation at any of these other properties would require building, adding or extending infrastructure, which could add to the time and cost required for mine development. These are important determinants affecting capital and operating costs.

*Liquidity / Financing Risk*

The Company may need to obtain additional financing in the future through the sale of equity or debt securities, the optioning or selling its properties, or otherwise. In addition to the capital expenditures required to maintain its operations, the execution of the Company's growth strategy will require the Company to incur significant capital expenditures in the future, including in connection with the DRPF project, the development of the Kami Project and the Company's other strategic initiatives to participate in the efforts to decarbonize the iron and steel industry. To do so, the Company may need to raise additional capital. In addition, the Company may need significant amounts of ongoing capital to manage uncertain development and permitting timelines and the volatility associated with fluctuating mineral prices. These financing requirements could adversely affect the Company's credit ratings and its ability to access capital markets in the future. Financial markets, including banking, debt and equity markets, can also be extremely volatile and can prevent the Company from gaining access to the capital required to maintain and grow its business. No assurance can be given that additional financing will be available for further exploration and development of the Company's properties when required, upon terms acceptable to the Company or at all. Current geopolitical events, including the imposition by the United States of tariffs on foreign imports into the United States as well as measures adopted by other countries in retaliation thereof, could also impact the Company's ability to obtain additional financing. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties, which could in turn materially adversely affect the Company's business, operating results and financial condition.

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*Liquidity / Financing Risk* (continued)

As of March 31, 2026, the Company had $296.8 million in cash with a face value of long-term debt of approximately $971.1 million, including (i) an outstanding debt of US$500 million on its 7-year senior unsecured notes bearing interest at a rate of 7.875%, (ii) an outstanding debt of US$64.5 million under the Caterpillar Financial Services Limited equipment facility, (iii) an outstanding debt of US$46.2 million under the Railcars Loan, (iv) a fully drawn loan with Investissement Québec, with an outstanding debt of $44.8 million, and (v) a fully drawn loan with Fonds de Solidarité des Travailleurs du Québec, with an outstanding debt of $75 million. Although the Company has been successful in repaying debt in the past and restructuring its capital structure with a lower cost of capital, there can be no assurance that it can continue to do so. In addition, the Company may in the future assume additional debt or reduce its holdings of cash in connection with funding future growth initiatives, existing operations, capital expenditures or in pursuing other business opportunities. The Company's level of indebtedness could have important consequences for its operations, and the Company's ability to finance its operations, capital expenditures and working capital needs could also be impacted by a rise in interest rates as any such increase in interest rates would lead to higher costs of borrowing for the Company. In particular, the Company may need to use a large portion of its cash flows to repay the principal and pay interest on its debt as well as payment under lease liabilities, which will reduce the amount of funds available to finance its operations and other business activities. The Company's debt level may also limit its ability to pursue other business opportunities, borrow money for operations or capital expenditures or implement its business strategy.

As of March 31, 2026, the Company had $515.6 million in available undrawn financing.

The Company's ability to meet its payment obligations will depend on its future financial performance and ability to raise additional capital if and when needed, which will be impacted by factors beyond the Company's control, including the overall state of capital markets and investor appetite for investments in the Company's securities as well as global financial, business, economic and other factors. There is no certainty that the Company's existing capital resources and future cash flows from operations will be sufficient to allow it to pay principal and interest on its debt, lease liabilities and other financial instruments and meet its other obligations. If these amounts are insufficient or if the Company is not able to comply with financial covenants under the revolving facility, the term loan or its other financial instruments, the Company may be required to refinance all or part of its existing debt, sell assets, borrow more money or issue additional equity. The ability of the Company to access the bank, public or private debt or equity capital markets on an efficient basis may be constrained by a disruption in the credit markets or capital or liquidity constraints in the banking, debt or equity markets at the time of such refinancing.

The Company is also exposed to liquidity and various counterparty risks including, but not limited to: (i) the Company's lenders and other banking and financial counterparties; (ii) the Company's insurance providers; (iii) financial institutions that hold the Company's cash; (iv) entities that have payables to the Company; and (v) entities that have received deposits from the Company for the future delivery of equipment. In the event that such counterparties were affected by a business disruption, insolvency or similar event, the Company's liquidity or access to funds could be adversely affected, which could limit its ability to pursue other business opportunities or implement its business strategy and materially adversely affect its business, operating results and financial condition.

*Global Economic and Financial Conditions and Capital Markets*

As future capital expenditures of the Company are expected to be financed out of funds generated from operations, borrowings and possible future equity sales, the Company's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in the Company's securities.

Global financial markets experienced extreme and unprecedented volatility and disruption in 2008, 2009, 2020, 2025 and the first half of 2026. World economies experienced a significant slowdown in 2008 and 2009 and only slowly began to recover late in 2009, through 2010 to 2019, although the strength of recovery has varied by region and by country. In the latter half of 2011 and in 2012 and 2013, debt crises in certain European countries and other factors adversely affected the recovery. Similarly, the ongoing conflicts in the Middle East and between Russia and Ukraine, and changes by the United States to tariffs on foreign imports into the United States as well as measures adopted in retaliation thereof have resulted in slowdowns and increased volatility in world economies and a continued state of uncertainty in the geopolitical environment as well as national and global economies. In recent years, solvency concerns of the United States and other banks have had a destabilizing effect on financial markets. Global financial markets could suddenly and rapidly destabilize in response to future events. Global capital markets have continued to display increased volatility in response to global events. In addition, increasing geopolitical tensions could have multiple unforeseen implications for the global financial markets. Future crises may be precipitated by any number of causes, including geopolitical instability (including as a result of the uncertainty surrounding the imposition of tariffs or other protectionist measures by one or more countries and the effect of such tariffs on the global financial markets), changes to energy prices, natural disasters, epidemics, or sovereign defaults.

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*Global Economic and Financial Conditions and Capital Markets* (continued)

A slowdown in the financial markets or other economic conditions, including, but not limited to, reduced consumer spending, increased unemployment rates, deteriorating business conditions, inflation, deflation, volatile fuel and energy costs, increased consumer debt levels, lack of available credit, changes in interest rates and changes in tax rates may materially adversely affect the Company's business, operating results and financial condition.

These factors may impact the ability of the Company to obtain equity or debt financing in the future on favourable terms, in a timely manner or at all. Additionally, these factors, as well as other related factors, may impair the Company's ability to make capital investments and may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market fluctuations continue, the Company's operations and the trading price of its securities may be adversely affected.

*Reduced Global Demand for Steel or Interruptions in Steel Production*

The global steel manufacturing industry has historically been subject to fluctuations based on a variety of factors, including general economic conditions, geopolitical risk and interest rates. Fluctuations in the demand for steel can lead to similar fluctuations in iron ore demand. The Chinese market is a significant source of global demand for commodities, including steel and iron ore. Chinese demand has been a major driver in global commodities markets for a number of years. A slowing in China's economic growth could result in lower prices and demand for the Company's products and negatively impact its operating results or financial condition. The Company could also experience these adverse effects if demand in China slowed for other reasons, such as trade disputes, increased self-sufficiency, tariffs or expectations with respect to tariffs on commodities, increased reliance on other suppliers to meet demand or a prolonged market disruption event, including as a result of geopolitical events or global conflicts. Notably, escalating trade tensions between China and other countries could put pressure on iron ore prices, as increased anti-dumping measures and tariffs would likely curb both direct and indirect Chinese steel exports and therefore demand for iron ore in China. Any decrease in economic growth or steel consumption could have an adverse effect on the demand for iron ore and consequently on the Company's ability to obtain financing and to achieve production which, in turn, could materially adversely affect the Company's business, operating results and financial condition. See also *"Global Economic and Financial Conditions and Capital Markets"* above.

*Trade Barriers*

Threatened and imposed tariffs as well as threatened or imposed retaliatory tariffs between countries have continued a state of uncertainty in the geopolitical environment as well as national and global economies. The Company may be negatively affected by these trade barriers and other governmental protectionist measures, which can be imposed suddenly and unpredictably. The implementation or expansion of any such measures could decrease the Company's ability to sell its products if imposed on the iron ore it is selling in a given market. Trade barriers, trade conflicts and trade wars may also exacerbate many of the risks the Company is already exposed to, including iron ore prices risk, inflation risk, liquidity and financing risk and operating risk.

*Foreign Exchange*

Iron ore is sold in U.S. dollars and thus revenue generated by the Company from production on its properties, net of related sea freight shipment costs, are received in U.S. dollars, while operating and capital costs are incurred primarily in Canadian dollars. The Company is therefore subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the U.S. dollar. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. However, historical exchange rate fluctuations are not necessarily indicative of future fluctuations. A decline in the U.S. dollar would result in a decrease in the real value of the Company's revenues and could materially adversely affect the Company's business, operating results and financial condition. In addition, the Company's functional and reporting currency is Canadian dollars, while the majority of its long-term debt and lease liabilities are denominated in U.S. dollars. Therefore, as the exchange rate between the Canadian dollar and the U.S. dollar fluctuates, the Company will experience foreign exchange gains and losses, which can have a significant impact on its consolidated operating results.

*Interest Rates*

The Company is exposed to interest rate risk, mainly as a result of certain borrowings being at variable rates of interest. As of March 31, 2026, US$64.5 million of the Company's borrowings were at variable rates. To manage inflation risks in accordance with their mandates, the central banks of several jurisdictions, including Canada, have historically increased their benchmark rates in an effort to reduce inflation. Any prevailing high interest rates could have a material adverse impact on the interest payable under the Company's long-term debt, long-term leases and other financial instruments, which could impact the Company's business, operating results and financial condition.

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*Structural Shift in the Steel Industry's Production Methods*

With an increased focus on decarbonizing the steel industry, a structural shift in the industry's production methods is underway. This dynamic is expected to create additional demand for higher-purity iron ore products, as the industry transitions towards DR iron. However, DR grade quality iron ore represents a niche product in the iron ore industry, and while it is expected that an increasing number of customers will seek to participate in the iron and steel industry's decarbonization, it is not possible to predict how the demand and pricing (which currently tends to be directly negotiated between producers and sellers without an available global pricing index) for DR grade quality iron will evolve in the future, or whether producing DR grade quality iron ore will be more profitable than other production methods, including other production methods that are expected to favour the iron and steel industry's decarbonization. In addition, developments in alternative or analogous technologies or improvements in current production methods may harm the Company's competitive position and growth prospects or materially adversely affect the Company's business, operating results or financial condition, including in ways which it currently does not anticipate. Even if the steel industry and the Company's customers adopt DR grade quality iron, the Company may be unable to maintain or improve its competitive position, which could materially adversely affect its business, operating results or financial condition. See also "*Development and Expansion Projects Risks*" below.

*Carbon Emissions, Global Carbon Tax and Carbon Import Duties*

There continues to be increased focus on carbon emissions, also referred to as GHG, produced by the mining and other industries. Legislation and regulations in various jurisdictions aimed at reducing domestic GHG emissions, implementing systems to prevent the import of goods with embedded emissions or reporting requirements on the matter continue to be considered or adopted. Yet it is not possible to reasonably estimate the nature, extent, timing and cost or other impacts of any future taxes or other programs that may be enacted, including the impact on demand for iron ore products from traditional steel producers and other customers, and the impact on the Company's ability to sell its products to customers. Additionally, as countries attempt to implement systems to prevent the import of goods with embedded emissions, carbon import duties may impact the Company's historical trade partners, sales and financial performance. See also *"Climate Change, Natural Disasters and Unusually Adverse Weather*" below.

There can be no certainty that the Company will achieve any required targets for GHG emission reduction within the stated timeframe or that achieving any of these targets will meet all of the expectations of the Company's stakeholders or applicable legal requirements. The implementation of these objectives may expose the Company to certain additional heightened financial and operational risks, and is expected to require additional costs, which may be higher than anticipated. If the Company is unable to achieve its GHG emission reduction targets or satisfy the expectations of its stakeholders, its reputation could be affected, which could materially adversely affect the Company's business, operating results and financial condition.

*Mineral Exploration, Development and Operating Risks*

Mineral exploration is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. Resource acquisition, exploration, development and operation involve significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, the highly cyclical metal and mineral prices, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations), social acceptance by the local communities and other factors. In the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Company will result in the establishment or expansion of resources or reserves or the economically viable exploitation thereof.

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## Risk Factors (continued)

*Mineral Exploration, Development and Operating Risks* (continued)

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of iron ore and other minerals, including, but not limited to, environmental hazards (including hazards relating to the discharge of pollutants), industrial accidents, labour force disruptions, health crises (including epidemics), adjacent or adverse land or mineral ownership rights or claims that may result in constraints on current or future mining operations, availability of materials and equipment, equipment failures, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical conditions or formations, unanticipated ground and water conditions, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls or tailings dams, pit flooding, fire, explosions and natural phenomena and "acts of God" such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in, among other things, damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays in mining, limited mine site access, difficulty selling iron ore concentrate, increased production costs, reputational loss, monetary payments and losses and possible legal liability. As a result, production may fall below historic or estimated levels and the Company may incur significant costs or experience significant delays that could have a material adverse effect on its financial performance, liquidity and operating results. The Company maintains insurance to cover some of these risks and hazards; however, such insurance may not provide sufficient coverage in certain circumstances or may not be available or otherwise adequate for the Company's needs. Although the Company is focused on providing regular training for its employees and maintaining adequate procedures, it takes substantial time and resources to maintain and update standard operating procedures, safety plans, safety audits, mine inspector visits and other initiatives. Any failure to continuously update, facilitate and actively implement these programs could result in investigations, costs, downtime or other setbacks that could, in turn, materially adversely affect the Company's business, operating results and financial condition. See also *"Insurance and Uninsured Risks"* below.

The Company's processing facility is dependent on continuous mine feed to remain in operation. Insofar as the Bloom Lake Mine does not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to hardness of the ore, equipment failures, adverse weather conditions, supply interruptions, export or import restrictions, labour force disruptions or other causes, may have an immediate adverse effect on the results of its operations. A significant reduction in mine feed or processing throughput at the mine could cause the unit cost of production to increase to a point where the Company could determine that some or all of its ore reserves are or could be uneconomic to exploit.

The Company periodically reviews mining schedules, production levels and asset lives in its LoM planning for all of its operating and development properties. Significant changes in the LoM plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology, iron ore price assumptions and other factors. Based on this analysis, the Company reviews its accounting estimates and, in the event of impairment, may be required to write down the carrying value of one or more of its long-lived assets. This complex process continues for the entire duration of the LoM. See also *"Ability to Support the Carrying Value of Non-Current Assets"* below.

In addition, any current and future mining operations are and will be subject to the risks inherent in mining, including adverse fluctuations in commodity prices, fuel prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy, access and transportation costs, supply chain cost increases and disruption, delays and repair costs resulting from equipment failure, changes in the regulatory environment, industrial accidents and labour actions or unrest. The occurrence of any of these events could materially adversely affect the development of a project, including the Kami Project (which remains subject to FID), or the operations of a facility, including the DRPF project, which, in turn, could materially adversely affect the Company's business, operating results and financial condition.

Furthermore, risks may arise with respect to the management of tailings and waste rock, mine closure, rehabilitation and management of closed mine sites (regardless of whether the Company operated the mine site or acquired it after operations were conducted by others). Financial assurances may also be required with respect to closure and rehabilitation costs, which may increase significantly over time and reserved amounts may not be sufficient to address actual obligations at the time of decommissioning and rehabilitation.

As a result of the foregoing risks, and in particular, where a project is in a development stage, expenditures on any and all projects, actual production quantities and rates, and cash costs may be materially adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates may be delayed materially, in each case especially to the extent development projects are involved. Any such events can materially adversely affect the Company's business, operating results and financial condition.

*Climate Change, Natural Disasters and Unusually Adverse Weather*

The Company recognizes that climate change is a global challenge that will affect its business in a range of possible ways. The Company's mining and processing operations are energy intensive, resulting in a carbon footprint either directly or through the purchase of fossil-fuel based energy. As a result, the Company is impacted by current and emerging policy and regulations relating to the GHG emission levels, energy efficiency and reporting of climate change related risks. While some of the costs associated with reducing emissions may be offset by increased energy efficiency and technological innovation, the current regulatory trend may result in additional transition costs at the Company's operations.

In addition, the physical risks of climate change may also have an adverse effect on the Company's business and operations. These may include increased incidence of extreme weather events and conditions, resource shortages, water droughts, changes in rainfall and storm patterns and intensities and changing temperatures. An assessment of physical climate risks potentially impacting Bloom Lake, the Port of Sept-Îles and the railways essential for material transportation highlighted three specific risks: potential interruption of rail services due to flooding, forest fires or extreme heat; the risk of flooding at the mine site; and potential impact of a storm or a flood at the port. For instance, in July 2024, the Company had to proceed with the preventive evacuation of Bloom Lake's facilities in response to nearby forest fires. While the forest fires did not cause damage to the Company's facilities, they resulted in approximately one week of production losses, which negatively impacted revenues for the period.

Associated with these physical risks is an increasing risk of climate-related litigation (including class actions) and associated costs. In addition, global efforts to transition to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, focus and jurisdiction of these changes, transition risks may pose varying levels of financial and reputational risk to the business which could, in turn, materially adversely affect the Company's business, operating results and financial condition.

Stakeholders and regulators are seeking enhanced disclosure of the material risks, opportunities, financial impacts and governance processes related to climate change. Adverse publicity or climate-related litigation could have an adverse effect on the Company's reputation, financial condition or operating results.

*Water Management*

Water is a critical resource for the Company's operations and inadequate water management and stewardship could have a material adverse effect on the Company and its operations. As Bloom Lake's footprint and production increases, the amount of contact water generated is expected to increase and the Company will need to have efficient water management plans. While the Company's existing surface water management system is operational and is considered appropriately designed, upgrades may need to be implemented and there can be no guarantee that the water management plans will be sufficient or perform as intended, and there can be no assurances that the Company will be able to discharge water when needed, which could subject the Company to liability and affect the Company's business, financial condition and operating results. In addition, while certain aspects relating to water management are within the Company's control, extreme weather events can negatively impact the Company's water management practices. These can consequently impact operations, disrupt production, increase costs and damage site and ancillary infrastructure.

*Permits and Licenses*

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry out the activities which it is currently conducting under applicable laws and regulations, and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, there can be no assurance that the Company will be able to obtain all necessary licenses and permits required in the future (or to modify existing permits and licenses as may be required) to carry out exploration, development and mining operations at its projects on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project or the operation or further development of a mine, which could have a material and adverse effect on the Company's business, operating results and financial condition. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost. The licenses, permits and approvals may also be granted subject to conditions which impose material restrictions on the Company's ability to carry out its operations, which could materially adversely affect its business, operating results and financial condition.

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*Cybersecurity Threats*

The Company's operations depend, in part, on how well it and its suppliers protect networks, technology systems and software against infiltration from a number of threats, including viruses, security breaches and cyber-attacks. Cybersecurity threats include attempts to gain unauthorized access to data or automated network systems and the manipulation or improper use of information technology systems. A failure of any part of the Company's information technology systems could, depending on the nature of such failure, materially adversely impact the Company's reputation, business, operating results and financial condition. From time to time, the Company is subject to attempted cybersecurity attacks and related threats. To date, the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. Furthermore, the Company may have little or no oversight with respect to security measures employed by third-party service providers, which may ultimately prove to be ineffective at countering threats. The risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats and related technological advancements, including, but not limited to, emerging technologies such as advanced forms of artificial intelligence ("AI"), quantum computing, machine learning, fleet electrification and autonomous equipment and other disruptive technologies. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities. In addition, the Company's insurance coverage for cyber-attacks may not be sufficient to cover all the losses it may experience as a result of a cyber incident.

*Uncertainty of Mineral Resource and Ore Reserve Estimates*

Although the mineral resource and ore reserve estimates disclosed by the Company have been carefully prepared by "qualified persons" as defined by NI 43-101, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of mineral resources and ore reserves can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to mineral resources and ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the operating results. Material changes in mineral resources and ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral resources and ore reserves are reported as general indicators of LoM and should not be interpreted as assurances of potential LoM or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of mineral resources and ore reserves and corresponding grades. Until ore is actually mined and processed, mineral resources and ore reserves and grades must be considered as estimates only. Furthermore, mineral resource and ore reserve estimates may change over time as new information becomes available, particularly actual production data, further drilling and market factors, such as changes in supply of, demand for or pricing of iron ore.

Additionally, investors should not assume that mineral resources are capable of being directly converted to ore reserves under NI 43-101. Mineral resources are not ore reserves and have a greater degree of uncertainty as to their feasibility and prospects for economic extraction. Mineral resources that are not ore reserves do not have demonstrated economic viability. Mineral resources that are in the inferred category are even more risky. An inferred mineral resource is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. Inferred mineral resources have a lower level of confidence than that applying to any other category of mineral resources and is considered too speculative geographically to have the economic considerations applied to them that would enable them to be categorized as ore reserves. In accordance with Canadian securities laws, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101. Finally, the quantity of mineral resources and ore reserves may vary depending on mineral prices. Any material change in resources, mineral resources or ore reserves, or grades or stripping ratios, in particular those of the Bloom Lake Mine, will affect the economic viability of the Company's projects.

*Uncertainties and Risks Relating to Feasibility Studies*

Feasibility studies, pre-feasibility studies, preliminary economic assessments and other technical studies are used to determine the economic viability of a deposit or a project. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. For example, generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35-40% for preliminary economic assessments. While the Company's various technical reports (including the 2023 Technical Report, the DRPF project study and the Kami Project Study) are based on the best information available to the Company, it cannot be certain that actual costs under each study will not significantly exceed the estimated cost.

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*Uncertainties and Risks Relating to Feasibility Studies* (continued)

While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory ore reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future mineral and metal prices.

In addition, ongoing mining operations at the Bloom Lake Mine are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralization, favourable geological conditions, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unplanned or prolonged maintenance shutdowns, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third-parties providing essential services. Actual operating results may differ from those anticipated in the relevant reports, including the 2023 Technical Report, the DRPF project study and the Kami Project Study. The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, epidemics, government-imposed restrictions on operations, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in ongoing or future commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties. Therefore, the Company cannot give any assurance that results of any feasibility studies or other technical studies (including the 2023 Technical Report, the DRPF project study and the Kami Project Study) will not be subject to change and revisions.

*Dependence on the Bloom Lake Mine*

While the Company may invest in additional mining and exploration projects in the future, the Bloom Lake Mine is currently the Company's main producing asset providing most of the Company's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Bloom Lake Mine may materially adversely affect the Company's business, operating results and financial condition. In addition, the operating results of the Company could be materially adversely affected by any events which cause the Bloom Lake Mine to operate at suboptimal capacity, including, among other things, equipment failure, unplanned or prolonged maintenance shutdowns, outages, adverse weather, serious environmental, public health and safety issues, any permitting or licensing issues and any failure to produce expected amounts of iron ore. See also "*Infrastructure and Reliance on Third-Parties for Transportation of the Company's Iron Ore Concentrate*" and "*Liquidity / Financing Risk*" above.

*Development and Expansion Projects Risks*

The Company's ability to meet development and production schedules and cost estimates for its development and expansion projects cannot be assured. Construction and development of these projects are subject to numerous risks, including, without limitation, risks relating to: significant cost overruns due to, among other things, delays, changes to inputs or changes to engineering; delays in construction and technical and other problems, including adverse geotechnical conditions and other obstacles to construction; ability to obtain regulatory approvals or permits, on a timely basis or at all; ability to comply with any conditions imposed by regulatory approvals or permits, maintain such approvals and permits or obtain any required amendments to existing regulatory approvals or permits; accuracy of reserve and resource estimates; accuracy of engineering and changes in scope; adverse regulatory developments, including the imposition of new regulations; significant fluctuations in iron ore and other commodity prices, fuel and utilities prices, which may affect the profitability of the projects; community action or other disruptive activities by stakeholders; adequacy and availability of a skilled workforce; labour disruptions; difficulties in procuring or a failure to procure required supplies and resources to construct and operate a mine; availability, supply and cost of water and power; weather or severe climate impacts; litigation; dependence on third-parties for services and utilities; development of required infrastructure; a failure to develop or manage a project in accordance with the planning expectations or to properly manage the transition to an operating mine; the reliance on contractors and other third-parties for management, engineering, construction and other services, and the risk that they may not perform as anticipated and unanticipated disputes may arise between them and the Company; and the effects of potential epidemics, including regulatory measures or operating restrictions in response thereto, supply chain impacts and other factors. These and other risks could lead to delays in developing certain properties or delays in current mining operations. The materialization of any of these risks could materially adversely affect the Company's business, operating results and financial condition.

*Development and Expansion Projects Risks* (continued)

In addition, there is no assurance that the Company will be able to realize, in full or in part, the anticipated benefits it expects to generate from the DRPF project. In the short term, due to the DRPF project's commissioning phase and related tie-in work, the Company is likely to experience temporary disruptions over several days at its second concentration plant, which are expected to negatively impact production during that time. Also, the DRPF project's ramp-up and product quality stabilization phase is expected to span over several months following the initial shipments of DR quality iron ore. Until Champion successfully delivers the DRPF product that meets customers' quality specifications, sales may be directed to the spot market. Accordingly, during the ramp-up period, Champion does not expect to fully benefit from DRPF premiums or freight savings.See also "*Structural Shift in the Steel Industry's Production Methods*" above.

*Joint Ventures and Option Agreements*

From time to time, the Company may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for its participation in larger projects, allowing involvement in a greater number of projects and reducing financial exposure in respect of any one project. From time to time, the Company may enter into option agreements and joint ventures as a means of gaining property interests, developing properties or raising funds (for instance, the Partnership formed for the joint ownership and development of the Kami Project). The Company may also enter into other strategic alliances, partnerships or investments.

Risks associated with the foregoing include the sharing of confidential information, the reduced ability to exert control over strategic, tactical and operational decisions, the diversion of management's time and focus from operating its business, the use of resources that may be needed in other areas of the business, disagreements with partners on when and how to develop and operate projects, the inability of, or the failure by, partners to meet their obligations to the joint venture or third-parties, unforeseen costs or liabilities, litigation or other claims arising in connection with partnerships or joint ventures, and the possibility of adverse tax consequences. In determining whether or not the Company will participate in a particular project, the structure of its participation and the interest therein to be acquired by it, the Company's Board will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

In some of those arrangements, a failure of the Company to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated. Any failure of any option or joint venture partner to meet its obligations to the Company or other third-parties, or any disputes with respect to third-parties' respective rights and obligations, could have a material adverse effect on such agreements. In addition, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

*Replacement of Ore Reserves*

Mines have limited lives based on proven ore reserves and probable ore reserves. The Bloom Lake Mine is currently the Company's main source of production. The Company's ability to maintain, past the current LoM at the Bloom Lake Mine (which is 15 years as of March 31, 2026), or increase its annual production will depend on its ability to bring new mines into production and to expand ore reserves at the Bloom Lake Mine. Bloom Lake's current LoM is determined based on the Company's best estimate given the information available to the Company, and this estimate and the underlying assumptions may prove to be incorrect.

Exploration for minerals is highly speculative in nature and exploration projects involve many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish ore reserves and to construct mining and processing facilities. As a result of these uncertainties, there is no assurance that current or future exploration programs may be successful. There is a risk that depletion of ore reserves will not be offset by discoveries. As a result, the reserve base of the Company may decline if ore reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current LoM, based on current production rates, which could have a material and adverse effect on the Company's business, operating results and financial condition.

*Premium paid for High-Purity Iron Ore*

The Company currently receives a premium over the P61 index prices (formerly, the P62 index) for the iron ore it produces. In addition to applicable market forces, the premium received reflects the quality of the Company's product. If the Company is unable to continue to produce to quality specifications, its product may no longer command a premium to index prices, which may materially adversely affect the Company's business, operating results and financial condition. See "*Iron Ore Prices*" and "*Development and Expansion Projects Risks*" above.

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*Environmental Risks and Hazards*

The operations of the Company are subject to environmental laws and regulations relating to the protection of the environment (including living things), occupational health and safety, hazardous or toxic substances, wastes, pollutants, contaminants or other regulated or prohibited substances or dangerous goods (collectively, "Environmental Laws"), as adopted and amended from time to time. Environmental Laws provide for, among other things, restrictions and prohibitions on spills, releases and emissions of various substances produced in association with, or resulting from, mining industry operations, such as seepage from tailings disposal areas that result in environmental pollution, and mandate, among other things, the maintenance of air and water quality standards and land reclamation. A breach of Environmental Laws may result in the imposition of fines, penalties, restrictive orders or other enforcement actions.

In addition, certain types of operations require the submission and approval of environmental impact assessments or other environmental authorizations. Environmental Laws are evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The Company incurs substantial costs to comply with Environmental Laws, regulations and permits that apply to the Company's operations and to address the outcome of inspections. The required compliance and actions are often time-consuming, and any failure to comply could result in significant fines and penalties or cancellation of the Company's permits. This cost of compliance with such changes to Environmental Laws has a potential to adversely impact the Company's business, operating results and financial condition.

The Company's operation is subject to environmental regulations which are enforced primarily by the Ministry of Natural Resources and Forests (Québec), the Ministry of Environment, Fight Against Climate Change, Wildlife and Parks (Québec), the Department of Environment and Climate Change (Newfoundland and Labrador), the Department of Industry, Energy and Technology (Newfoundland and Labrador), Fisheries and Oceans Canada, and Environment and Climate Change Canada.

*Land Reclamation and Mine Closure Costs*

Land reclamation requirements are generally imposed on mining companies in order to minimize long-term effects of land disturbance. The Company is required to submit for government approval a reclamation plan in connection with certain mining sites, to submit financial warranties covering the anticipated cost of completing the work required under such a plan, and to pay for the reclamation work upon the completion or cessation of certain mining activities. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required. Therefore, the amount that the Company is required to spend could be materially higher than current estimates. Any significant increases over the Company's current estimates of future cash outflows for reclamation costs, as a result of the Company being required to carry out unanticipated reclamation work or otherwise, could have an adverse impact on the Company's business, operating results and financial condition. Although the Company includes liabilities for estimated reclamation costs in its financial statements, it may be necessary to spend more than what is projected to fund required reclamation work.

*Applicable Laws and Regulations*

Exploration, development and mining of minerals are subject to extensive and complex federal, provincial and local Environmental Laws and other laws and regulations within the jurisdiction of the respective project and the jurisdiction of the Company's incorporation, including laws and regulations governing acquisition of mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters. The costs of compliance and any changes to the Company's operations mandated by new or amended laws or regulations, may be significant. Such costs and delays may materially adversely impact the Company's business, operating results or financial condition. Furthermore, any violations of these laws or regulations may result in substantial fines and penalties, remediation costs, third-party damages, or a suspension or cessation of the Company's operations, which could materially adversely affect the Company's business, operating results or financial condition. The Company is exposed to these potential liabilities through its current projects and operations as well as exploration and development projects and operations that it may in the future close, sell or dispose of otherwise. The Company may incur material costs and liabilities resulting from claims for damages to property or injury to persons arising from its operations. If the Company is subject to sanctions, costs and liabilities in respect of these matters, its mining operations and, as a result, its business, operating results and financial condition could be materially adversely affected.

In addition, no assurance can be given that new laws and regulations will not be enacted or that existing laws and regulations will not be applied in a manner that could limit or curtail exploration, development or production activities. Amendments to current laws and regulations governing operations and activities of mining and exploration companies, or the more stringent implementation and application thereof, could cause increases in exploration expenses, capital expenditures or production costs or a reduction in the levels of production at the Company's producing properties or require abandonment or delays in exploring or developing the Company's properties, which, in turn, could materially adversely affect the Company's business, operating results and financial condition.

*Applicable Laws and Regulations* (continued)

In November 2024, the Québec National Assembly adopted An Act to Amend the Mining Act and Other Provisions ("Bill 63"). This statute amends the Mining Act (Québec) as well as other provincial laws and regulations in several ways. Among other things, the new legislation grants enhanced powers to the Québec Minister of Natural Resources and Forests (the "Minister") to control mining operations. For instance, the Minister may impose, at the time the Minister considers appropriate, new conditions and requirements to prevent or limit the impact that mining exploration activities may have on local and Indigenous communities, or to prioritize or reconcile competing uses of land. Similar conditions may also be imposed by the Minister when granting a mining lease. Bill 63 also introduced a no-fault liability regime for mining operators for certain events that will be determined by regulation. This regime could require the Company to make reparation for any harm or injury caused in the exercise of a mining right in connection with such events. These changes will affect the regulatory landscape within which the Company operates in Québec and could potentially result in increased obligations and liabilities as well as permitting delays or restrictions for its projects in Québec.

*Potential First Nations Land Claims*

The Company conducts its operations in the Province of Québec and in the Province of Newfoundland and Labrador, which are subject to conflicting First Nations land claims. Aboriginal claims to lands, and the conflicting claims to traditional rights between Aboriginal groups, may have an impact on the Company's ability to develop its properties.

Pursuant to section 35 of The Constitution Act of 1982, the Federal and Provincial Crowns (including those of the Provinces of Québec and Newfoundland and Labrador) have in some circumstances a duty to consult and a duty to accommodate Aboriginal peoples. When development is proposed in an area to which an Aboriginal group asserts Aboriginal rights or Aboriginal title, and a credible claim to such rights or title has been made, a developer may also be required by the Crown to conduct consultations with Aboriginal groups who may be affected by the proposed project and, in some circumstances, make appropriate accommodations. The outcome of such consultations may significantly delay or even prevent the development of the Company's properties.

There has been an increasing level of public concern relating to the perceived impact of mining activities on indigenous communities. The evolving expectations related to human rights, indigenous rights and environmental protection may adversely impact the Company's current or future activities. Such opposition may be directed through legal or administrative proceedings, against the government or the Company, or expressed in manifestations such as protests, delayed or protracted consultations, blockades or other forms of public expression against the Company's activities or against the government's position. There can be no assurance that these relationships can be successfully managed. Intervention by the aforementioned groups may have a material adverse effect on the Company's business, operating results and financial condition.

The development and the operation of the Company's properties may require entering into impact and benefits agreements ("IBAs") or other agreements with the affected First Nations. As a result, the Company may incur significant financial or other obligations to affected First Nations.

On April 12, 2017, the Company, through QIO, entered into an IBA with the Uashaunnuat, Innu of Uashat and of Mani-Utenam, the Innu Takuaikan Uashat Mak Mani-Utenam Band No. 80 and the Innu Takuaikan Uashat Mak Mani-Utenam Band Council with respect to future operations at Bloom Lake (the "Bloom Lake IBA"). The Bloom Lake IBA is a LoM agreement and provides for real participation in Bloom Lake for the Uashaunnuat in the form of training, jobs and contract opportunities and ensures that the Innu of Takuaikan Uashat Mak Mani-Utenam receive fair and equitable financial and socio-economic benefits. The Bloom Lake IBA also contains provisions which recognize and support the culture, traditions and values of the Innu of Takuaikan Uashat Mak Mani-Utenam, including recognition of their bond with the natural environment.

The negotiation of any IBA may significantly delay the development of the properties. There are no assurances that the Company will be successful in reaching an IBA or other agreement with First Nation groups asserting Aboriginal rights or Aboriginal title or who may have a claim in connection with the Kami Project or any of the Company's other projects.

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*Availability of Energy*

The Company's mining operations and facilities are intensive users of energy, including electricity, diesel and other consumables that are essential to its business and there is no certainty that the Company will be able to continue to access sources of power on economically feasible terms, or that such sources of power will be available in sufficient quantities, for all of its projects and requirements. The availability of energy may be negatively impacted due to a variety of reasons, including fluctuations in climate, severe weather conditions, inadequate infrastructure capacity, equipment failure or the ability to extend supply contracts on economic terms. The inability for the Company to secure sufficient power for all of its projects and requirements or to do so on economically favourable terms could have a material adverse effect on the Company's business, operating results and financial condition.

*Epidemic Outbreaks, Boycotts and Geopolitical Events*

The occurrence of epidemic outbreaks, boycotts and geopolitical events, such as the ongoing conflicts in the Middle East and between Russia and Ukraine, trade protection measures like tariffs and import and export restrictions (including tariffs imposed on foreign imports into the United States as well as measures adopted by other countries in retaliation thereof), tensions between China and other countries, or the occurrence of similar disruptions, could materially adversely affect the Company's business, operating results or financial condition. Some of these events have resulted and could result in additional increases in energy and fuel prices, shutdowns or outages at the Company's facilities, temporary lack of an adequate workforce, temporary or long-term disruption in the supply of raw materials, equipment and product parts required to conduct business, temporary disruption in ocean freight overseas, or disruption to the Company's information systems. The Company may incur expenses or delays relating to such events outside of its control, which could materially adversely affect its business, operating results and financial condition.

Increasing global instability could impact its operations with worsening supply chain disruptions or macro-economic conditions. Governments have warned that conflicts like the one between Russia and Ukraine may increase the risk of coordinated cyberattacks on critical infrastructures. Additionally, the Russia-Ukraine conflict has triggered global sanctions across many jurisdictions, which have impacted and may continue to impact the global trade flows of iron ore products and steel. This may also have an impact on the Company's historical business relationships. While the Company has risk mitigation measures in place such as advance placement of orders to secure materials and supplier diversification (alternate sourcing), continuation or further escalation of the conflict could continue to result in additional inflationary pressure, and supply chain and transportation disruption, which could materially adversely affect the Company's business, operating results and financial condition. Moreover, the Middle East is an important contributor to global oil supplies and any instability in the region, as a result of an escalation of the Israel-Palestine conflict, the commencement of the United States' and Israel's military operations against Iran in February 2026 or otherwise, have caused and may cause further price hikes due to current or potential supply or shipping routes disruptions (including disruption to shipping through the Strait of Hormuz), which can in turn increase market volatility, affect global inflation rates and trade balances. See also "*Trade Barriers*" above.

*No Assurance of Titles*

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company or, where applicable, in the name of its joint venture partners, there can be no assurance that such title will ultimately be secured. Title to, and the area of, mineral concessions may be disputed, and there is no assurance that the interests of the Company in any of its properties may not be challenged or impugned. Third-parties may have valid claims on underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including land claims by indigenous groups, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct its operations on one or more of its properties as currently anticipated or permitted or to enforce its rights in respect of its properties. Even if a claim is unsuccessful, it may potentially affect the Company's current operations due to the high costs of defending against the claim and its impact on Management's time. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained a secure claim or title to individual mineral properties or mining concessions may be severely constrained. If the Company loses a commercially viable property, such a loss could lower its future revenues or cause it to cease operations if the property represented all or a significant portion of its ore reserves at the time of the loss, which, in turn, could materially adversely affect its business, operating results and financial condition.

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*Reliance on Small Number of Significant Purchasers and Geographical Areas*

The Company relies on a small number of significant direct purchasers of its iron ore. As a result of this reliance, the Company could be subject to adverse consequences if any of these direct purchasers breaches its purchase commitments, reduces its purchases or ceases to buy from the Company or becomes insolvent, including incurring losses on the production already shipped or being forced to sell a greater volume of its production in the spot market, which is subject to additional market price fluctuations. Additionally, the Company delivers its product to a relatively small number of geographical areas, namely China, Japan, the Middle East, Europe, South Korea, India and Canada, which concentrates the Company's exposure regionally.

*Availability of Reasonably Priced Raw Materials and Mining Equipment*

The Company requires and will continue to require a variety of raw materials in its business as well as a wide variety of mining equipment. Since 2021, supply chains have been affected by a number of factors, including inflation affecting the price of raw materials and transportation, and supply chain disruptions resulting from geopolitical events (including tariffs and import and export restrictions as well as retaliation measures adopted in response thereof) and conflicts and other factors. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Company's production and financial performance could be adversely affected, including requiring the suspension of its operations.

*Dependence on Third-Parties*

The Company has relied upon consultants, engineers and others and intends to continue relying on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral resources and ore reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If the work of such parties is deficient, negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

*Reliance on Information Technology Systems*

The Company's operations are dependent upon information technology ("IT") systems. The Company's operations depend on the timely maintenance, upgrade and replacement of these systems, as well as pre-emptive efforts to mitigate cybersecurity risks and other technology system disruptions. In addition, a portion of the Company's workforce now regularly works remotely, which has increased the Company's reliance on its IT systems and associated risks. These systems are subject to disruption, damage or failure from a variety of sources, including an increasing threat of continually evolving cybersecurity risks. Failures in the Company's IT systems could translate into production downtimes, operational delays, compromising of confidential information, destruction or corruption of data, loss of production or accidental discharge; expensive remediation efforts; distraction of management; damage to the Company's reputation; or events of noncompliance which could lead to regulatory fines or penalties or ransom payments. Accordingly, any failure in the Company's IT systems could materially adversely affect its financial condition and results of operation. Such failures could also materially adversely affect the effectiveness of the Company's internal controls over financial reporting.

The Company incorporates and expects to continue to incorporate AI technologies into its business and operations from time to time. However, there can be no assurance that investments made in these technologies and related processes and tools will provide a valuable return, if any. Moreover, AI capabilities continue to develop rapidly and are becoming more generally available, increasing the risk that AI could become disruptive to the Company's business. Failure to keep pace with the advancement of new technologies such as AI could impact the Company's competitive advantage and negatively affect its business, financial condition and operating results. Implementation and reliance on new technologies, including machine learning and generative AI, within the Company and through third-party providers, increase the risk that flaws in algorithms, processes or data may result in inaccurate decisions and potentially increase the cost of operational or cybersecurity related interruptions.

The Company and its third-party service providers collect, use, disclose, store, transmit and otherwise process data of customers, suppliers, employees and others as part of its business and operations, which may include personal data or confidential or proprietary information. There can be no assurance that any security measures that the Company or its third-party service providers have implemented will be effective against current or future security threats. If a compromise of such data were to occur, the Company may become liable under its contracts with other parties and under applicable law for damages and incur penalties and other costs to respond to, investigate and remedy such an incident. Depending on the facts and circumstances of such an incident, these damages, penalties, fines and costs could be significant. Notably, privacy regimes that apply to the Company set out substantial fines for non-compliance. Any such event could result in both financial and reputational harm for the Company and result in litigation against it, which, in turn, could materially adversely affect the Company's business, operating results and financial condition.

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*Litigation*

All industries, including the mining industry, are subject to legal claims which may be with or without merit. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, agreements with customers and third-parties, Environmental Laws, volatility in stock price or failure or alleged failure to comply with disclosure obligations. The Company has in the past been, and may in the future be, involved in various legal proceedings. The outcome of any future proceedings is uncertain, and may incur defense costs in connection therewith, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular or several combined legal proceedings will not have a material adverse effect on the Company's business, operating results and financial condition.

*ESG Matters*

There is increased investor attention on environmental, social and governance (ESG) issues more generally and increased expectations to meet global standards and best practices. To the extent mining companies fall out of favour with some investors due to the mining industry's real or perceived impacts on climate change, and its perceived role in a transition to a low carbon economy, this could negatively affect the Company's shareholder base and access to capital. There has also been increased regulatory attention to ESG issues, which has resulted in new, pending and proposed legislation in Canada and Australia, including anti-greenwashing disclosure rules, including amendments to the Competition Act that became law in June 2024 which could subject the Company to substantial monetary penalties and reputational harm should the Company inadvertently fail to properly comply with the explicit provisions targeting misleading environmental benefit claims. Additionally, Australia's climate-related financial disclosure regime, which requires businesses which meet certain regulatory thresholds under the Corporations Act 2001 (Cth), to include mandatory climate reporting against Australian Sustainability Standards Board aligned standards in their annual financial reporting, commenced in January 2025. While the Company has been actively monitoring the impact of such anti-greenwashing disclosure rules and seeks to mitigate any related risks, there can be no assurance that challenges regarding its disclosure will not take place in the future. Additionally, the lack of consistent legal requirements across jurisdictions and rapidly evolving regulatory landscapes worldwide represents an additional challenge for the Company.

In addition, government policies are evolving to support the transitioning to a low carbon economy by implementing climate and sustainability-related legislation and regulations, including carbon pricing proposals, mandates for emission reductions and supply chain mapping disclosures. While additional regulation of emissions in the future appears likely, the Company cannot predict whether any such regulations could ultimately have a material adverse effect on the Company's business or financial results. See also "*Climate Change, Natural Disasters and Unusually Adverse Weather*" and "*Potential First Nations Land Claims*" above and "*Reputational Risk*" below.

*Reputational Risk*

As a result of the increased usage and the speed, global reach and influence of social media, AI and other web-based tools used to generate, publish and discuss user-generated or auto-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived socially and in the market generally. Damage to the Company's reputation can result from the actual or perceived occurrence of any number of events, including any negative publicity (for example with respect to the Company's handling of environmental and social matters or its relations with stakeholders), whether true or not. The Company places great emphasis on protecting its image and reputation by managing its social media and other web-based platforms, but it does not ultimately have direct control over how it is perceived by others. See *"ESG Matters"* above.

Reputation loss may lead to increased challenges in developing and maintaining community relations, ability to secure labour and ability to finance, ability to secure permits and governmental approvals, decreased investor confidence and impediments to the Company's overall ability to advance its projects, which, in turn, could materially adversely affect its business, operating results and financial condition.

*Dependence on Management and Key Personnel*

The Company is dependent on the services of key executives, including a small number of highly skilled and experienced executives and personnel. The Company's development to date, including the recommissioning of Bloom Lake's Phase I in 2018, the completion of the Phase II in 2022 and the ongoing DRPF project, has largely depended, and in the future will continue to depend, on the efforts of management and other key personnel to develop its projects. The employment market for mining executives with successful project development and operation experience has been and is expected to continue to be extremely competitive. Loss of any of these people, particularly to competitors, could materially adversely affect the Company's business, operating results and financial condition. In addition, the Company's success also depends, in part, on its continuing ability to identify, recruit, train, develop and retain other qualified managerial and technical employees with specialized market knowledge and technical skills to build and maintain its operations. If the Company requires such persons and is unable to successfully recruit and retain them, its development and growth could be significantly curtailed.

*Volatility of Stock Price*

In recent years, the securities markets in Australia and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Company's securities will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings and that the value of its securities will be affected by such volatility.

Certain institutional investors may base their investment decisions on considerations of the Company's ESG practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Company's securities by such investors, which could materially adversely affect the trading price of the Company's securities.

*Shareholder Activism*

In recent years, publicly-traded companies, including in the mining sector, have increasingly been subject to actions, demands or grievances from activist shareholders, including short sellers, relating to ESG issues, executive compensation practices, fiduciary duties of directors and officers and strategic direction and operations, among other matters. Responding to these demands may be costly and time-consuming and may disrupt business operations, divert management and employee attention or present other legal and business challenges that could materially adversely affect the Company's business, reputation or financial results. Moreover, such investor activism could result in uncertainty of the direction of the Company, harm the business, hinder execution of the business strategy and initiatives and create adverse volatility in the market price and trading volume of the Company's securities.

*Internal Controls and Procedures*

Management of the Company has established processes to provide the Board with sufficient information and assurances to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements of the Company do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as at the date of and for the periods presented thereby, and (ii) the financial statements of the Company fairly present in all material respects the financial condition, operating results and cash flows of the Company, as at the date of and for the periods presented. The Company files certifications of annual and interim filings, signed by the Company's CEO and CFO, as required by National Instrument 52-109 – *Issuers' Annual and Interim Filings*. In such certifications, the appropriateness of the financial disclosure in the Company's filings with the securities regulators, the design and effectiveness of the Company's disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting at the respective financial period end are certified by the CEO and CFO. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate.

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statements preparation. Any failure of the Company's internal controls and procedures could result in improper disclosure to the financial markets, which could materially adversely affect the Company's business, operating results and financial condition.

*Insurance and Uninsured Risks*

The Company maintains insurance to protect it against certain risks related to current operations (including, among others, directors' and officers' liability insurance) in amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk. However, the Company is unable to maintain insurance to cover all risks at economically feasible premiums, and in certain cases, insurance coverage may not be available or may not be adequate to cover any resulting liability. Consequently, the Company may elect not to insure against certain risks due to high premiums or for various other reasons. Accordingly, insurance maintained by the Company does not cover all of the potential risks associated with its operations. In addition, no assurance can be given that the current insurance maintained by the Company will continue to be available at economically feasible premiums or at all, that the Company will obtain or maintain such insurance or that such insurance will provide sufficient coverage for any future losses. As a result, the Company's property, liability and other insurance may not provide sufficient coverage for losses related to the risks identified herein or other risks or hazards. Should liabilities arise as a result of insufficient or non-existent insurance, any future profitability could be reduced or eliminated and delays, increases in costs and legal liability could materially adversely affect the Company's business, operating results and financial condition.

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*Potential Conflicts of Interest*

The directors and officers of the Company may serve as directors or officers of other companies involved in the mining industry or have significant shareholdings in such companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. In the event that such a conflict of interest arises, director and officers are required to disclose the conflict of interest and directors must abstain from voting on the matter.

*Employee Relations*

The Company's ability to achieve its future goals and objectives is dependent, in part, on maintaining good relations with its employees, minimizing employee turnover and attracting new skilled employees. Work stoppages, prolonged labour disruptions or other industrial relations events at the Company's major capital projects, as well as inability to recruit and retain qualified employees, could lead to project delays or increased costs and could materially adversely affect the Company's business, operating results and financial condition.

The Company cannot predict the outcome of any future negotiations relating to labour disputes, union representation or the renewal of any collective agreement relating to its employees, nor can the Company assure that it will not experience work stoppages, strikes, property damage or other forms of labour protests pending the outcome of any future negotiations. A deterioration in relationships with employees or in the labour environment could result in a strike or work interruptions or other disruptions to the Company's operations, damage to the Company's property or interruption to its services, or cause management to divert time and resources from other aspects of the Company's business, any of which could have a material adverse effect on the Company's business, operating results or financial condition.

*Competitive Conditions*

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential and for management and technical personnel. The Company's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Company will compete in each of these respects, as well as with respect to equipment, suppliers and purchasers, with other parties, many of which have or may have greater financial resources, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and a greater ability to withstand losses than the Company.

The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary capital funding, to acquire it on acceptable terms or to acquire suitable producing properties or prospects for mineral exploration in the future. The Company is predicting a long-term shortage of skilled workers for the mining and metals processing industries, and competition for the available workers limits its ability to attract and retain employees as well as engage third-party contractors. Accordingly, there can be no assurance that any of the Company's future acquisition efforts will be successful or that it will be able to attract and retain required personnel. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects. Any failure to do so could have a material adverse effect on the Company's business, financial condition, operating results and prospects.

*Dilution and Future Sales*

The Company may from time to time undertake offerings of its ordinary shares or securities convertible into ordinary shares, and it may also enter into acquisition agreements under which it may issue ordinary shares in satisfaction of certain required payments. An increase in the number of ordinary shares issued and outstanding and the prospect of issuance of ordinary shares upon conversion of convertible securities may have a depressive effect on the price of ordinary shares. In addition, as a result of such additional ordinary shares, the voting power and equity interests of the ordinary shareholders will be diluted. Furthermore, sales of a large number of ordinary shares in the public markets, or the potential for such sales, could decrease the trading price of the ordinary shares and could impair the Company's ability to raise capital through future sales of ordinary shares or of securities convertible into ordinary shares.

*Anti-Corruption and Anti-Bribery Laws*

The Company may be impacted by anti-bribery, anti-corruption, and related business conduct laws. The Canadian Corruption of Foreign Public Officials Act and anti-bribery and anticorruption laws in other jurisdictions where the Company conducts its business, prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantages. The Company's policies mandate compliance with these laws, the failure of which often carry substantial penalties. There can be no assurances that the Company's internal control policies and procedures will always protect it from inappropriate acts committed by the Company's affiliates, employees, or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's reputation, business, financial condition, and operating results.



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*Forced Labour and Child Labour*

Following the coming into force of the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the "Supply Chains Act"), there is increased scrutiny of any forced labour or child labour occurring in domestic and international supply chains. The Company is subject to statutory obligations under the Supply Chains Act in Canada and the Modern Slavery Act in Australia, both of which require companies to carry out due diligence and publish detailed reports enumerating the actions they are taking to prevent and reduce the risk of forced labour and child labour in their operations and supply chains. Any failure to comply with the obligations under these laws may result in financial sanctions, reputational damage and loss of community and stakeholder trust.

*Ability to Support the Carrying Value of Non-Current Assets*

As of March 31, 2026, the carrying value of the Company's non-current assets was approximately $2,669.6 million, or approximately 76% of the Company's total assets. Non-current assets are tested for impairment when events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. If indication of impairment exists, a non-current asset's recoverable amount is estimated. Such estimation is subjective and it involves making estimates and assumptions with respect to a number of factors, including, but not limited to, mine design, estimates of production levels and timing, ore reserves and mineral resources, ore characteristics, operating costs and capital expenditures, as well as economic factors beyond management's control, such as iron ore prices, discount rates and observable net asset value multiples. If the recoverable amount is lower than the carrying value, the Company may be required to record an impairment loss on the non-current asset, which will reduce the Company's earnings. The timing and amount of such impairment charges are uncertain.

*Fluctuating Mineral Prices*

Factors beyond the control of the Company may affect the marketability of any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Company's control. These factors include market fluctuations, inflationary pressures impacting costs to extract minerals, the proximity and capacity of natural resource markets and processing equipment, international economic and political conditions, inflation or deflation and expectations with respect to inflation or deflation, interest rates and expectations with respect to interest rates, global and regional levels of supply and demand and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, and there can be no assurance that the market price of these minerals will remain at current levels or that such prices will improve. The combination of these factors may result in the Company not receiving an adequate return on invested capital, and a loss of all or part of an investment in the Company's securities may result.

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# 10.
# COMPANY DIRECTORY



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# COMPANY DIRECTORY

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| | | |
|---|---|---|
| **DIRECTORS** | Michael O'Keeffe | (Executive Chairman) - Non-independent |
| | David Cataford | (Executive Director and Chief Executive Officer) - Non-independent |
| | Gary Lawler | (Non-Executive Director) - Independent |
| | Michelle Cormier | (Non-Executive Director) - Independent |
| | Louise Grondin | (Non-Executive Director) - Independent |
| | Jessica McDonald | (Non-Executive Director) - Independent |
| | Jyothish George | (Non-Executive Director) - Independent |
| | Ronnie Beevor | (Non-Executive Director) - Independent |
| **COMPANY SECRETARY** | Bill Hundy | |
| **CORPORATE SECRETARY** | Steve Boucratie | |
| **HEAD AND REGISTERED OFFICE** | Level 1, 91 Evans Street<br>Rozelle NSW 2039, Australia<br><br>Telephone: +61 2 9810 7816<br>Facsimile: +61 2 8065 5017<br><br>Website: www.championiron.com<br>ACN 119 770 142 | |
| **QIO'S MAIN OFFICE IN CANADA** | 3300-1155 René-Lévesque Blvd. West<br>Montréal, QC, H3B 3X7, Canada<br><br>Telephone: +1 514-316-4858<br>Facsimile: +1 514-819-8100 | |
| **AUDITORS** | **Ernst & Young**<br>*(for the purpose of the Company's Australian statutory requirements)*<br>200 George Street<br>Sydney, NSW 2000, Australia<br><br>**Ernst & Young LLP**<br>*(for the purpose of the Company's Canadian statutory requirements)*<br>900, De Maisonneuve Blvd West<br>Montréal, Québec, H3A 0A8, Canada | |
| **SHARE REGISTRIES** | **Computershare Investor Services Pty Limited**<br>GPO Box 2975<br>Melbourne, Victoria 3001, Australia<br><br>Telephone (Australia): 1300 850 505<br>Telephone (International): +61 3 9415 4000<br><br>**Computershare Investor Services Inc.**<br>320 Bay Street, 14th Floor<br>Toronto, Ontario, M5H 4A6, Canada<br><br>Telephone (North America Toll-Free): 1-800-564-6253<br>Telephone (international): 1-514-982-7555 | |
| **STOCK EXCHANGES** | The Company's shares are listed on the Australian Stock Exchange (ASX) and the Toronto Stock Exchange (TSX) under the symbol CIA. The Company's shares are also available to trade on the OTCQX Best Market under the symbol CIAFF. | |
| **ASX CODE & TSX SYMBOL** | CIA (Fully Paid Ordinary Shares) | |

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