



CHAMPION IRON LIMITED
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED MARCH 31, 2023

May 31, 2023

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CAUTIONARY STATEMENT

In this Annual Information Form (sometimes referred to herein as this “AIF”), “**Champion**” and the “**Company**” means, as the context may require, either Champion Iron Limited (“**CIL**”) or, collectively, CIL and its subsidiaries, including Champion Iron Mines Limited (“**CIML**”) and Quebec Iron Ore Inc. (“**QIO**”).

Forward-Looking Information

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

Specific Forward-Looking Information

All statements other than statements of historical facts, included in this AIF that address future events, developments or performance that Champion expects to occur are forward-looking statements.

Examples of such forward-looking information include, without limitation, information regarding financial results and expectations for the financial year ending March 31, 2024, the potential of the Company’s properties, acquisitions of additional properties, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, mineral and metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, joint venture operations, resources and anticipated grades and recovery rates, which are or may be based on assumptions or estimates related to future economic, market and other factors and conditions.

Risks

Forward-looking information is based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking information is inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated or unusual events. Many of such factors are beyond the Company’s ability to predict or control. Risks and uncertainties that may affect forward-looking information herein include, but are not limited to, those which relate to:

- (a) iron ore prices;
- (b) fluctuating mineral prices;
- (c) freight costs and inflation;
- (d) infrastructure and reliance on third parties for transportation of the Company’s iron ore concentrate;
- (e) liquidity / financing risk;
- (f) global financial conditions and capital markets;
- (g) operating costs;
- (h) foreign exchange;
- (i) interest rates;

- (j) reduced global demand for steel or interruptions in steel production;
- (k) structural shift in the steel industry's production methods;
- (l) carbon emissions, global carbon tax and carbon import duties;
- (m) mineral exploration, development and operating risks;
- (n) uncertainty of Mineral Resource and Mineral Reserve estimates;
- (o) uncertainties and risks relating to Feasibility Studies;
- (p) dependence on the Bloom Lake Mine;
- (q) development and expansion projects risks;
- (r) replacement of Mineral Reserves;
- (s) environmental risks and hazards;
- (t) reclamation costs and related liabilities;
- (u) applicable laws and regulations;
- (v) potential First Nations land claims;
- (w) no assurance of titles;
- (x) permits and licenses;
- (y) climate change and ESG matters;
- (z) natural disasters, unusually adverse weather, epidemic or pandemic outbreaks, boycotts and geopolitical events;
- (aa) increasing global instability as a result of the Russia-Ukraine conflict;
- (bb) reliance on small number of significant customers;
- (cc) availability of reasonably priced raw materials and mining equipment;
- (dd) dependence on third parties;
- (ee) reliance on information technology systems;
- (ff) cybersecurity threats;
- (gg) litigation;
- (hh) volatility of stock price;
- (ii) reputational risk;
- (jj) internal controls and procedures;
- (kk) insurance and uninsured risks;
- (ll) potential conflicts of interest;
- (mm) dependence on management and key personnel;
- (nn) employee relations;
- (oo) competitive conditions;
- (pp) dilution and future sales;
- (qq) joint ventures and option agreements;
- (rr) anti-corruption and anti-bribery laws; and
- (ss) ability to support the carrying value of non-current assets.

For more information on risk factors, refer to the heading "*Risk Factors*" below.

Additional Updates

All of Champion's forward-looking information contained in this AIF is given as of the date hereof or such other date or dates specified in forward-looking statements and is based upon the opinions and estimates of Champion's

management and information available to management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of the forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. Readers should carefully consider the above factors as well as the uncertainties they represent and the risks they entail.

CURRENCY

All references to “\$” or “dollars” herein are to Canadian dollars, unless otherwise specified.

GENERAL

The date of this Annual Information Form is May 31, 2023 (Sydney time), which corresponds to May 30, 2023 (Montréal time). The information contained in this Annual Information Form, unless otherwise indicated, is given as of March 31, 2023. Additional information may be found under the Company’s profile on SEDAR at www.sedar.com.

TECHNICAL DISCLOSURE

Historical estimates of Mineral Resources, if any, referred to in this AIF are strictly historical in nature, are not compliant with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) standards and the JORC Code (2012 edition) (the “**JORC Code**”), and should, therefore, not be relied upon. No “qualified person” (as such term is defined in NI 43-101 and the JORC Code) has done sufficient work to upgrade or classify such historical estimates as current “mineral resources”, “mineral reserves” or “ore reserves”, as such terms are defined in NI 43-101 or the JORC Code, as applicable, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code. The Company is not treating any such historical estimates as current Mineral Resources or Mineral Reserves. In this AIF, Mineral Resource estimates have been calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) Definition Standards on Mineral Resources and Reserves adopted by the CIM, as amended.

The Bloom Lake reserves and resources were subject to adjustments for new drilling, operational experience and depletion due to iron ore mine as of March 31, 2023. The Phase II Feasibility Study (as defined below) is available under the Company’s filings at www.sedar.com, on the ASX’s website at www.asx.com.au or on the Company’s website at www.championiron.com. There has been no material change to the estimates and information provided in the Phase II Feasibility Study.

SELECTED TECHNICAL TERMS

“dmt”	means dry metric tonne.
“Feasibility Study”	A Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting.

“Indicated Mineral Resource”	An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
“Inferred Mineral Resource”	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. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
“IRR”	means internal rate of return.
“LOM”	means life of mine.
“m”	means metre.
“Measured Mineral Resource”	A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
“Mineral Reserve”	Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve. A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.
“Mineral Resource”	means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

“Modifying Factors”	means considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
“MRE”	means a Mineral Resource estimate.
“Mtpa”	means million tonnes per annum.
“NPV”	means net present value.
“Pre-Feasibility Study”	means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.
“Probable Mineral Reserve”	means the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Pre-Feasibility Study. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
“Proven Mineral Reserve”	means the economically mineable part of a Measured Mineral Resource demonstrated by at least a Pre-Feasibility Study. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.
“QP” or “Qualified Person”	means a “qualified person” as defined by NI 43-101.
“t” or “tonne”	means a measure of weight equal to 1,000 kilograms or 2,204 pounds.
“waste”	means barren rock in a mine, or mineralized material that is too low in grade to be mined and milled at a profit.
“wmt”	means wet metric tonne.

METRIC EQUIVALENTS

For ease of reference, the following factors for converting imperial measurements into metric equivalents are provided:

To convert imperial measurement units	To metric measurement units	Divide by
Inches	Centimetres	0.3939
Troy ounces	Grams	0.03215
Acres	Hectares	2.4711
Pounds	Kilograms	2.2046
Miles	Kilometres	0.6214
Feet	Metres	3.2808
Inches	Millimetres	0.03937
Short Tons	Tonnes	1.1023

COMPANY PROFILE AND CORPORATE STRUCTURE

The registered name of the Company is Champion Iron Limited. Champion is a high-grade iron ore producer and an exploration and development company focused on developing significant iron ore resources in eastern Canada, particularly in the Province of Québec. The Company is one of the largest stakeholders of mineral concessions in the Fermtont Iron Ore District of Québec with (i) the Bloom Lake iron ore property (the “**Bloom Lake Assets**”, “**Bloom Lake Property**”, “**Bloom Lake**” or “**Bloom Lake Mine**”), (ii) the Kamistatusset iron ore project, located a few kilometres south-east of Bloom Lake (the “**Kami Project**”), (iii) the Fermtont Property Holdings (the “**Fermtont Property Holdings**”), which include the Consolidated Fire Lake North project (“**Consolidated Fire Lake North**” or “**CFLN**”), the Quinto claims, encompassing the Peppler Property, the Lamêlée Property and the Hobdad Property (the “**Quinto Claims**”) as well as the Lac Lamêlée South property (the “**Lac Lamêlée South Property**”), and (v) the Powderhorn and the Gullbridge properties. The Company’s flagship asset, the Bloom Lake Mine, is a long-life, large scale open pit operation located in northern Québec approximately 300 km north of Sept-Îles and 13 km by road from the town of Fermtont. The Company declared commercial production at the Bloom Lake Mine as of June 30, 2018, and commercial production of its Phase II concentrator in December 2022.

Head Office and Other Offices

The Company’s head office, registered office and mailing address is at Level 1, 91 Evans Street, Rozelle, New South Wales 2039, Australia. The Company also has two offices in Canada, with one located at 1155 René-Lévesque Blvd. West, Suite 3300, Montréal, Québec H3B 3X7 and the other at 20 Adelaide Street East, Suite 200, Toronto, Ontario M5C 2T6.

Legal Matters

Champion was incorporated in Australia originally under the name of “Mamba Minerals Limited” and was registered in the state of Western Australia under the Australian *Corporations Act 2001* (Cth) (the “**Corporations Act**”) on May 18, 2006 (Australian Company Number (ACN) 119 770 142). On March 20, 2014, the Constitution of the Company (the “**Constitution**”) was amended to comply with the requirements of the Toronto Stock Exchange (the “**TSX**”) relating to the retirement and re-election of directors at the Company’s annual general meetings. On March 31, 2014, the Company completed a business combination transaction with CIML by way of a plan of arrangement under the *Business Corporations Act* (Ontario), pursuant to which the Company and its wholly-owned subsidiary, Champion Exchange Limited, acquired all issued and outstanding common shares of CIML in exchange for Ordinary Shares and exchangeable shares of Champion Exchange Limited (the “**Plan of Arrangement**”).

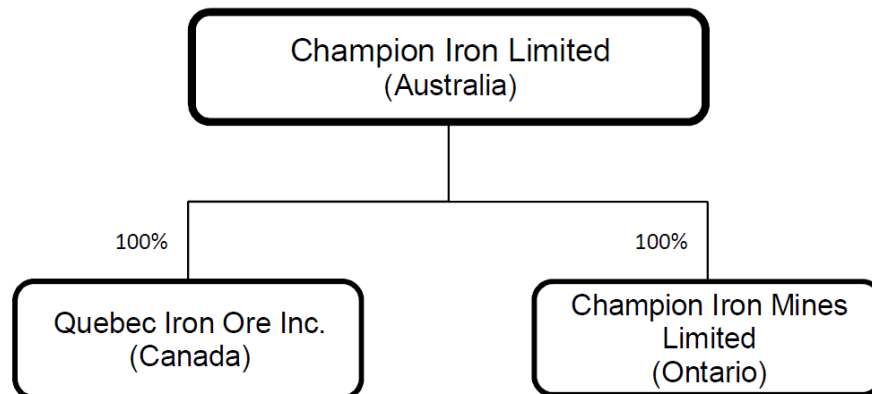
Following the closing of the Plan of Arrangement, the Company changed its name to Champion Iron Limited. On August 24, 2022, the Constitution of the Company was further amended in order to bring the provisions of the Constitution in line with recent changes to the Corporations Act and assist the Company in streamlining its communications to shareholders as well as to allow utilization of various electronic platforms and tools to hold and conduct shareholders meetings.

The Company is a reporting issuer in all Canadian provinces.

The ordinary shares of the Company (the “**Ordinary Shares**”) are listed for trading on the Australian Securities Exchange (“**ASX**”) and the TSX under the symbol “**CIA**”, and are also quoted on the OTCQX Best Market. As a company listed on the ASX, the Company is also required to comply with the ASX Listing Rules (the “**ASX Listing Rules**”) which govern the admission of entities to the ASX. The ASX Listing Rules are enforceable against entities and their associates under the Corporations Act.

Corporate Structure

The following chart indicates the Company’s material subsidiaries, their jurisdictions of incorporation and the percentage of voting securities beneficially owned by the Company.



Champion Iron Mines Limited is incorporated under the *Business Corporations Act* (Ontario). Quebec Iron Ore Inc. is incorporated under the *Canada Business Corporations Act*.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Financial Year ended March 31, 2021

Company’s Response to COVID-19 Pandemic

On April 23, 2020, the Company announced the gradual resumption of the operations at Bloom Lake following an announcement from the Québec Government allowing to resume normal mining operations in the Province of Québec, conditional on the implementation of guidelines aiming to contain the risks related to COVID-19. This was after the Company had announced, on March 24, 2020, that it was ramping down operations at the Bloom Lake Mine following a directive from the Québec Government which required that mining activities be reduced to a minimum in the Province of Québec in an effort to contain COVID-19.

During the financial year ended March 31, 2021, the Company consistently and proactively deployed several measures in its efforts to mitigate risks related to COVID-19, in line with or exceeding the Québec Government's guidelines. See "*Financial Year Ended March 31, 2022 – Company's Response to COVID-19 Pandemic*" below.

Changes to Management Team and Board of Directors

On July 22, 2020, the Company announced that Alexandre Belleau had been appointed as Chief Operating Officer of the Company. Mr. Belleau joined the Company in 2016 and most recently held the position of General Manager of Projects and Innovation of QIO.

On August 27, 2020, the Company announced the appointment of Louise Grondin, M. Sc., P. Eng., to the Board at the 2020 annual general meeting of the Company's shareholders.

2020 Refinancing

On November 12, 2020, the Company announced having received commitments from lenders under the 2019 Credit Facility to increase the 2019 Credit Facility from US\$200 million to US\$400 million (the "**Amended Credit Facility**"). The refinancing transactions contemplated by the Amended Credit Facility closed on December 23, 2020. The increased portion of the Amended Credit Facility was allocated to fund current and future strategic initiatives, including the financing of the Bloom Lake Phase II expansion project.

The Amended Credit Facility was available by way of a US\$350 million senior secured fully amortizing non-revolving credit facility (the "**2020 Term Facility**") and a US\$50 million senior secured revolving credit facility (the "**2020 Revolving Facility**"). The Amended Credit Facility bore interest at LIBOR plus 4.00% pre-completion of the Bloom Lake Phase II expansion project, after which the Amended Credit Facility would revert to the original interest rate under the 2019 Facility ranging between LIBOR plus 2.85% and LIBOR plus 3.75% based on the net debt to EBITDA ratio. The 2020 Term Facility was scheduled to mature five years from December 23, 2020, while the 2020 Revolving Facility was scheduled to mature three years from December 23, 2020. The 2020 Term Facility had to be repaid in equal quarterly installments of principal and accrued interest starting on the earlier of the completion date of the Bloom Lake Phase II expansion project and June 30, 2022, and was not subject to prepayment penalties (but prepayments made before the completion date of the Bloom Lake Phase II expansion project were subject to certain conditions). Following the announcement of Phase II commissioning, QIO completed, on May 24, 2022, the refinancing of the Amended Credit Facility with a US\$400 million general purpose revolving facility. See "*Financial Year Ended March 31, 2023 – 2022 Refinancing*" below.

Equipment Financing

On December 23, 2020, the Company announced that it received a credit approved commitment letter for a US\$75 million lease financing facility from Caterpillar Financial Services Limited ("**CAT Finance**") to finance the leasing of mining equipment (the "**Equipment Financing Facility**"). See "*Financial Year ended March 31, 2022 – Equipment Financing*" and "*Financial Year Ended March 31, 2023 – Equipment Financing*" below.

Bloom Lake Operations

The Bloom Lake Mine produced 8,001,200 wmt of high grade 66.4% iron ore concentrate during the financial year ended March 31, 2021.

On November 12, 2020, the Board provided final approval to complete the Bloom Lake Phase II expansion project, which aimed to double the nameplate capacity of Bloom Lake to 15 Mtpa of 66.2% Fe iron ore concentrate by completing the construction of a second concentrator plant and related infrastructure, in addition to adapting the mine plan to support a 20-year LOM. See "*Financial Year Ended March 31, 2022 – Bloom Lake Operations*" and "*Financial Year Ended March 31, 2023 – Bloom Lake Operations*" below.

Agreement to Acquire Kami Project

On November 16, 2020, the Company announced an agreement to acquire (through certain of its subsidiaries) from Deloitte Restructuring Inc. (the “**Receiver**”), as receiver for Alderon Iron Ore Corp. (“**Alderon**”) and certain of its affiliates, the mining properties of the Kami Project located in the Labrador Trough geological belt in southwestern Newfoundland, near the Québec border, and certain related contracts, for a consideration consisting of \$15 million in cash, the extinguishment of approximately \$19.4 million in secured debt of Alderon and certain of its affiliates (the “**Secured Debt**”) and an undertaking in favour of the Receiver to make a finite production payment on a fixed amount of future iron ore concentrate production from the Kami Project (the “**Kami Acquisition**”). The Kami Acquisition closed on April 1, 2021.

In connection with the Kami Acquisition, the Company exercised, through an affiliate, an option to purchase the Secured Debt from Sprott Private Resource Lending (Collector), LP (“**Sprott**”), causing the Company to become a senior secured creditor of Alderon and its affiliates. As consideration for the Secured Debt, the Company issued 4.2 million Ordinary Shares to Sprott and Altius Resources Inc. The Secured Debt has been extinguished as partial consideration for the Kami Project.

Financial Year Ended March 31, 2022

Bloom Lake Operations

The Bloom Lake Mine produced 7,907,300 wmt of high grade 66.2% iron ore concentrate during the financial year ended March 31, 2022.

During the financial year ended March 31, 2022, the Company continued construction works for the Bloom Lake Phase II expansion project. As of March 31, 2022, cumulative investments of \$625.2 million were deployed for the Bloom Lake Phase II expansion project, including advance payments and deposits related to existing port, rail and transboarding infrastructures. Several project milestones were achieved and related works undertaken during the period, all of which resulted in commissioning of Phase II being achieved in late April 2022 ahead of schedule, despite pandemic-related challenges, positioning the Company to ramp up towards commercial production.

Among some of the key project milestones that were achieved and related works that were undertaken during the financial year ended March 31, 2022, several critical construction items were completed (including the major tie-in between Phase 1 and Phase II) and the Company received the majority of the 450 railcars required for the Phase II production volume, enabling the Company to gradually ship more iron ore concentrate to Sept-Îles.

Commissioning activities progressed as scheduled during the three-month period ended December 31, 2022, enabling the Company to reach commercial production in December 2022. See “*Financial Year Ended March 31, 2023 – Bloom Lake Operations*” below.

Redemption of CDP Preferred Shares

During the six-month period ended September 30, 2021, QIO completed the full redemption of all the 185,000,000 preferred shares (the “**CDP Preferred Shares**”) it had issued to *Caisse de dépôt et placement du Québec* (“**CDP**”) pursuant to an agreement announced on May 29, 2019, for a preferred share offering of \$185 million (the “**CDP Investment**”), at par value, for a consideration of \$185,000,000. The redemption terminated the preferred shares dividend payments and reduced the overall cost of capital for the Company. The governance agreement entered into among Champion, QIO and CDP in connection with the CDP Investment was terminated concurrently with, and as a result of, the completion of the full redemption of the CDP Preferred shares.

Term Loan with Investissement Québec

On July 21, 2021, the Company entered into a term loan of up to \$70,000,000 (the “**IQ Loan**”) with Investissement Québec, supported by Fonds du développement économique du Québec, to partially finance the upgrade of Société Ferroviaire et Portuaire de Pointe-Noire's (“**SFPPN**”) existing port and transboarding infrastructures.

Term Loan with Fonds de solidarité FTQ

On May 21, 2021, Fonds de solidarité FTQ granted an unsecured loan of up to \$75,000,000 (the “**FTQ Loan**”) to QIO to support the expansion plans for the Bloom Lake Mine.

Equipment Financing

On April 1, 2021, the Company closed its previously announced Equipment Financing Facility. See “*Financial Year ended March 31, 2021 – Equipment Financing*” above.

Kami Project Acquisition

On April 1, 2021, the Company closed its previously announced Kami Acquisition. See “*Financial Year ended March 31, 2021 – Agreement to Acquire Kami Project*” above.

Acquisition of Exploration Property

On July 12, 2021, the Company completed the acquisition of the Lac Lamêlée South Property from Fancamp Exploration Ltd., as well as its 1.5% net smelter royalty interest on the Company's Moiré Lake property and the Fermont Holdings Properties (including the O’Keefe-Purdy, Harvey-Tuttle, and CFLN properties).

Company’s Response to COVID-19 Pandemic

During the financial year ended March 31, 2022, the Company continued operations at Bloom Lake while consistently and proactively deploying several measures in its efforts to mitigate risks related to COVID-19, in line with or exceeding the Québec Government’s guidelines.

Advance Drilling Technologies

On August 16, 2021, the Company signed a Letter of Intent with Caterpillar Inc. to implement artificial intelligence based Advanced Drilling Technologies (the “**Technologies**”) on Cat equipment at its Bloom Lake Mine. The project will progressively implement a remote-controlled, semi-autonomous and fully autonomous Cat electric drilling fleet, utilizing the Technologies engineered, designed, and/or integrated by Caterpillar. With the Company contributing its experienced workforce, and Caterpillar's independent dealer, Toromont Cat, its aftermarket support, the collaboration will aim to optimize Bloom Lake's operational productivity and reduce energy consumption, while demonstrating the capabilities of Caterpillar's advanced drilling technologies. The goal of the collaborative effort will be to deliver a fully integrated drill-to-mill technology solution powered by data connectivity and advanced analytics to ultimately improve workflow between the mine and plant, providing a more efficient end-to-end enterprise process that delivers more consistent raw material for final product specification requirements.

Changes to Management Team

On September 9, 2021, the Company announced that Angela Kourouklis had been appointed as Senior Vice-President, Human Resources of the Company. Prior to joining the Company, Mrs. Kourouklis served as Vice-President, Human Capital Management, for La Presse inc. and before that, she held the position of Director of Human Resources at Bridgestone Canada, Inc. On the same day, the Company announced that Michael Marcotte had been appointed as Senior Vice-President, Corporate Development and Capital Markets of the Company. Mr. Marcotte joined the Company in 2018 and has previously held the position of Vice-President, Investor Relations.

Sustainability Initiatives

During the financial year ended March 31, 2022, in line with the Company’s values and out of respect and in recognition of the ancestral landholders' bond with the natural environment, the Company organized workshops aimed at familiarizing its employees with the Innu culture. Additionally, the Company participated and contributed

to the commemoration activities that took place in the Uashat mak Mani-utenam community for the inaugural National Day for Truth and Reconciliation on September 30, 2021. During the financial year ended March 31, 2022, the Company also launched a women's mentoring program dedicated to improving the integration and recruitment of more women into the Company's workforce.

Declaration of Inaugural Dividend

The Board declared an inaugural dividend of \$0.10 per Ordinary Share on January 26, 2022 (Montréal time) / January 27, 2022 (Sydney time), in connection with the semi-annual results for the period ended September 30, 2021, which was paid on March 1, 2022 (Montréal and Sydney time), to the Company's shareholders on record as at the close of business on February 8, 2022 (Montréal and Sydney time). See "Dividend Policy" below.

Financial Year ended March 31, 2023

Bloom Lake Operations

On May 3, 2022, the Company announced the completion of the first rail shipments containing 24,304 wet metric tonnes of high-grade 66.2% Fe iron ore concentrate from the Bloom Lake Phase II expansion project. Commercial production for Phase II was reached in December 2022.

The Bloom Lake Mine produced 11,186,600 wmt of high grade 66.1% iron ore concentrate during the financial year ended March 31, 2023.

While the Company's facilities reached their designed nameplate capacity on several operating days, results were impacted by previously disclosed delays in the delivery and commissioning of mining equipment and locomotives required to service third-party rail capacity in Sept-Îles, limiting mining and haulage capacity, and also by a longer than expected planned maintenance shutdown of one of Bloom Lake's two crushers. A four-day power outage which impacted third-party infrastructure at the port facility in Sept-Îles impacted the Company's shipments. With the delivery and assembly of mining equipment, the progress on third-party infrastructure work programs and the near-term anticipated locomotives delivery, the path towards reaching Bloom Lake's expanded nameplate capacity of 15 Mtpa in the near term has significantly improved.

Direct Reduction Pellet Feed Project

The Company announced in January 2023 the positive results of a feasibility study (the "**DRPF Feasibility Study**"), evaluating flowsheet modifications to the Phase II plant and infrastructure required to upgrade its current production to Direct Reduction Pellet Feed ("**DRPF**") grade iron ore (the "**DRPF Project**"), resulting in an average LOM production of approximately 7.5 Mtpa of DRPF quality iron ore with up to 69% Fe with combined silica and alumina content below 1.2%. The DRPF Project could produce one of the highest DRPF quality products available on the seaborne market, which can expect to attract a substantial premium over the Company's current high-grade 66.2% Fe iron ore concentrate. The DRPF Project is designed to be an extension to the operating Phase II Plant.

Production of DRPF product would enhance the Company's ability to further contribute to the green steel supply chain by engaging with additional customers focused on the direct reduced iron ("**DRI**") and electric arc furnaces steelmaking route, which reduces emissions in the steelmaking process by approximately half, compared to the traditional steelmaking route using blast furnaces-basic oxygen furnaces.

On April 26, 2023, the Board approved an increase of \$52 million to the initial budget of \$10 million announced on January 26, 2023, in order to maintain the DRPF Project's estimated 30-month construction period and a potential commissioning of the project in the second half of the calendar year 2025.

See "Risk Factors – Structural Shift in the Steel Industry's Production Methods" and "Risk Factors – Development and Expansion Projects Risks" below.

Acquisition of Pelletizing Facility

On May 17, 2022, the Company announced that it had entered into a definitive purchase agreement for the acquisition of the Pointe Noire Iron Ore Pelletizing Facility located in Sept-Îles, Québec (the "**Pellet Plant**"), the closing of which remains subject to certain conditions precedent.

Additionally, the Company announced that it had entered into a Memorandum of Understanding with a major international steelmaker to complete a feasibility study to evaluate the re-commissioning of the Pellet Plant and produce Direct Reduction ("**DR**") grade pellets, which is advancing with an anticipated completion date in the second half of calendar 2023.

Changes to Management Team

On July 4, 2022, the Company announced that Donald Tremblay had been appointed as Chief Financial Officer, effective September 12, 2022. Prior to joining the Company, Mr. Tremblay served as Chief Financial Officer of the Iron Ore Company of Canada ("IOCC"), a leading producer of high-grade iron ore concentrate and pellets. Prior to joining IOCC in 2018, Mr. Tremblay served as CFO for TransAlta Corporation and Brookfield Renewable Power. Mr. Tremblay replaced the previous CFO, Natacha Garoute, who as previously announced departed the Company following the financial year ended March 31, 2022.

On January 26, 2023, the Company appointed William Michael Hundy as Company Secretary. Prior to joining the Company, Mr. Hundy was a Senior Company Secretary and Solicitor for Company Matters (a company providing corporate services to publicly traded companies).

Other Growth Initiatives

In connection with the Company's strategy to evaluate its growth alternatives within its property portfolio, the Kami Project Feasibility Study (which is evaluating the project's capability to produce DR grade pellet feed product) is expected to be completed in the second half of calendar 2023.

First Nations and Local Communities

In keeping with the Company's corporate values and recognizing the importance of its relationship with local communities, workshops and commemoration activities aimed at familiarizing the Company's employees with the Innu culture were organized on the National Day for Truth and Reconciliation on September 30, 2022, as part of an annual commitment. In the same vein, all employees completed training sessions on diversity and culture, developed in collaboration with the Company's First Nations partners. In collaboration with First Nations communities and in accordance with the framework of Towards Sustainable Mining ("TSM") certification, the Company also initiated a conservation and biodiversity management program aimed at preserving the local salmon population. Finally, the Company welcomed the members of six indigenous groups as participants of the 2023 First Nations Expedition when it stopped at Bloom Lake in March, during their 4,500 km journey that carried the message of reconciliation, healing and hope.

In addition, fundraising organized by the Company at Fermont and Montréal attracted record participation, with more than 240 individuals running or walking in an event benefiting Cancer Fermont, a charitable organization improving the quality of life of local residents fighting cancer, as well as a significant donation to l'Envol-Maison de la Famille Sept-Îles, a help center which provides support for struggling local families.

Declaration of Dividends

The Board declared a dividend of \$0.10 per Ordinary Share on May 25, 2022 (Montréal time) / May 26, 2022 (Sydney time), in connection with the annual results for the financial year ended March 31, 2022, which was paid on June 28, 2022 (Montréal and Sydney time), to the Company's shareholders on record as at the close of business on June 7, 2022 (Montréal and Sydney time).

The Board declared another dividend of \$0.10 per Ordinary Share on October 26, 2022 (Montréal time) / October 27, 2022 (Sydney time), in connection with the semi-annual results for the period ended September 30, 2022, which was paid on November 29, 2022 (Montréal and Sydney time), to the Company's shareholders on record as at the close of business on November 8, 2022 (Montréal and Sydney time). See "*Dividend Policy*" below.

2022 Refinancing

Following the announcement of Phase II commissioning, QIO completed, on May 24, 2022, the refinancing of the Amended Credit Facility with a US\$400 million general purpose revolving facility (the "**Revolving Facility**"). The Revolving Facility will mature on May 24, 2026, and bears interest based on leverage ratios ranging between the Secured Overnight Financing Rate ("**SOFR**"), plus a credit spread adjustment, plus 2.00% if the net debt to EBITDA ratio is lower or equal to 0.50x to SOFR, plus a credit spread adjustment plus 3.00% if the net debt to EBITDA ratio is greater than 2.50x. The Revolving Facility includes standard and customary finance terms and conditions, including with respect to fees, representations, warranties, covenants and conditions precedent to disbursements. Among other things, the refinancing of the Revolving Facility enabled the Company to remove the restricted cash covenant from the Amended Credit Facility.

Equipment Financing

On January 1, 2023, CAT Finance agreed to increase the Equipment Financing Facility amount to US\$125 million using the discretion it had to do so under the agreement governing the Equipment Financing Facility. See "*Financial Year ended March 31, 2021 – Equipment Financing*" above.

Current Financial Period

Declaration of Dividends

The Board declared a dividend of \$0.10 per Ordinary Share on May 30, 2023 (Montréal time) / May 31, 2023 (Sydney time), in connection with the annual results for the financial year ended March 31, 2023, payable on July 5, 2023 (Montréal and Sydney time), to the Company's shareholders on record as at the close of business on June 14, 2023 (Montréal and Sydney time).

DESCRIPTION OF THE BUSINESS

General

The Company is a high-grade iron ore producer, mineral exploration and development company focused on the acquisition, exploration, development and production of iron ore deposits, in North-Eastern Québec. In addition to operating its Bloom Lake Mine, the Company holds several significant mining exploration properties, primarily in North-Eastern Québec and Newfoundland and Labrador.

Mineral Properties

The Company has interests in multiple mineral property groups located in two distinct areas of North-Eastern Québec and Newfoundland and Labrador referred to herein as follows:

- (i) the Bloom Lake Property located in the Fermont area in Québec and Labrador;
- (ii) the Kami Project located in the Fermont area, in southwestern Labrador;
- (iii) the Fermont Property Holdings located in the Fermont area, Québec; and
- (iv) the Powderhorn and the Gullbridge properties, each located in Newfoundland.

At this time, the Company is focusing its resources on its Fermont area properties (primarily the Bloom Lake Property, which is the only project the Company considers material for the purposes of this AIF) and, to a lesser extent, the Kami Project. See *Map 1: Fermont Area Properties*.

Bloom Lake Property (Iron)

The Bloom Lake Mine is located approximately 13 km north of Fermont, Québec, in the Labrador Trough and consists of Mining Lease BM877 covering an area of 6,858 ha and 58 mining claims encompassing an area of approximately 2,696 ha. The Bloom Lake Mine is an open pit truck and shovel mine, with a concentrator that utilizes single-stage crushing and an autogenous mill and gravity separation to produce iron concentrate. From the site, concentrate is transported by rail, on the Bloom Lake Railway for the first segment, to a ship loading port in Sept-Îles, Québec.

QIO, the operator of the Bloom Lake Mine, commenced production at Bloom Lake on February 16, 2018, made its first shipment of high grade 66% iron ore concentrate on April 1, 2018, and declared commercial production on June 30, 2018.

The Company completed a Feasibility Study in connection with the Bloom Lake Mine on March 17, 2017 (the “**2017 Feasibility Study**”), and subsequently undertook the Phase II Feasibility Study with respect to an expansion of the operations at the mine, which mainly involved the completion of construction work on a processing plant and other supporting infrastructure which was interrupted in November 2012 by the Bloom Lake Mine’s previous owner. The expansion aimed at more than doubling the previous operational capacity of 7.4 million tonnes per annum of high-grade 66.2% iron ore concentrate at Bloom Lake to 15 million tonnes per annum. The Company reported the findings of the Phase II Feasibility Study on June 20, 2019, and the Company filed the related NI 43-101 Technical Report under its profile on SEDAR (www.sedar.com) on August 2, 2019. See “*Material Property*” below.

On May 3, 2022, the Company announced the completion of the first rail shipments containing 24,304 wet metric tonnes of high-grade 66.2% Fe iron ore concentrate from the Phase II expansion project at the Bloom Lake Mine, which reached commercial production in December 2022.

The Company’s 100% interest in the Bloom Lake properties is owned through QIO.

Property – Québec	SNRC	Number of Claims	Area, ha
Bloom Lake Lease	23B14	1 Lease	6,858
Bloom Lake (Roach Hill)	23B14	58	2,696

The Company’s 100% interest in the Bloom East claims, which are located in Labrador, is owned through QIO or CIML, as noted below.

Property – Newfoundland and Labrador	Owner	Licences	Number of Claims	Area, ha
Bloom East	QIO	24821M, 34592M, 34914M, 34918M, 34926M	152	3,776
Bloom East	CIML	26787M, 26788M, 26789M, 26790M, 26791M, 38781M	193	4,701

Kami Project (Iron)

On April 1, 2021, the Company acquired the Kami Project. The Kami Project is a high-grade iron ore project near available infrastructure, situated only a few kilometers south east of the Bloom Lake Mine. The Kami Project’s prior owner completed an updated Feasibility Study in September 2018 (the “**Kami Feasibility Study**”). A copy of the Kami Feasibility Study is available under Alderon Iron Ore Corp.’s profile on SEDAR at www.sedar.com. A new

feasibility study (the “**Kami Project Feasibility Study**”), which is evaluating the project's capability to produce DR grade pellet feed product, is expected to be completed in the second half of calendar 2023.

The Company's 100% interest in the Kami Project properties is owned through 12364042 Canada Inc. or CIML, as noted below.

Property – Newfoundland and Labrador	Owner	Licenses	Number of Claims	Area, ha
Kami Claims	12364042 Canada Inc.	015980M; 017926M	283	7,077
	CIML	034335M	5	125
Kami Mining Lease	12364042 Canada Inc.	#234	1 Lease	404
Kami Surface Lease	12364042 Canada Inc.	#142	1 Lease	4,236

Fermont Property Holdings (Iron)

The Fermont Property Holdings consist of several properties wholly-owned by the Company, together with a 45% joint venture interest in an additional property, all of which cover approximately 82,472 ha, located in the Fermont Iron Ore District of northeastern Québec, ranging from 6 to 80 km southwest of Fermont. On February 22, 2013, CIML announced the results of its Pre-Feasibility Study for the Fire Lake North West and East deposits of the CFLN project that was performed by BBA Inc. of Montréal, Québec. A copy of the Pre-Feasibility Study is available under CIML's profile on SEDAR at www.sedar.com. With the completion of the Pre-Feasibility Study and the exploration phase of CFLN, the Company significantly curtailed exploration and development expenditures at CFLN.

Three other properties (Harvey-Tuttle, Moiré Lake and Penguin Lake) and two deposits of the CFLN project (Bellechasse and Oil Can) within the Fermont Property Holdings also contain historical Mineral Resources.¹ The historical Mineral Resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 or the JORC Code and should therefore not be relied upon. A Qualified Person has not done sufficient work to upgrade or classify the historical estimates as current Mineral Resources or Mineral Reserves, the Company is not treating the historical estimates as current Mineral Resources or Mineral Reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code.² Copies of the technical reports for Consolidated Fire Lake North, Moiré Lake and Harvey-Tuttle are available under CIML's profile on SEDAR at www.sedar.com and a copy of the technical report for Penguin Lake is available under Cartier Silver Corporation's profile on SEDAR at www.sedar.com.

¹ These reserves and 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 NI 43-101, the JORC Code or the ASX Listing Rules.

² The historical Harvey Tuttle resource estimates are based on the NI 43-101 technical report entitled “Technical Report and Resource Estimate on the Harvey-Tuttle Property Québec, Canada” by P&E Mining Consultants Inc. dated April 13, 2011, and having an effective date of February 25, 2011. The historical Moiré Lake resource estimates are based on the NI 43-101 technical report entitled “Technical Report and Mineral Resource Estimate on the Moire Lake Property” by P&E Mining Consultants Inc. dated May 11, 2012, and having an effective date of March 28, 2012. The historical Penguin Lake resource estimates are based on the NI 43-101 technical report entitled “43-101 Technical Report and Mineral Resource Estimate on the Penguin Lake Project (Round Lake Property), NTS 23C/01, Quebec” by Geochryst Geological Consulting and MRB & Associates Geological Consultants dated February 3, 2014, and having an effective date of May 1, 2013. The historical CFLN resource estimates are based on the NI 43-101 technical report entitled “Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project” by BBA Inc., P&E Mining Consultants Inc. and Rail Cantech Inc. dated February 22, 2013, and having an effective date of January 25, 2013. See “*Technical Disclosure*” above. The historical Lac Lamêlée resource estimates are based on the NI 43-101 technical report entitled “NI 43-101 Technical Report and Mineral Resource Estimate on the Lac Lamêlée South Resources Quebec - Canada” by Met-Chem, a division of DRA Americas Inc. dated July 28, 2017, and having an effective date of January 26, 2017.

The Quinto Claims (452 claims), which encompass the Peppler Property (112 claims), the Lamêlée Property (247 claims) and the Hobdad Property (93 claims), which were acquired by the Company together with the Bloom Lake Assets, are located approximately 50 km southwest of the Bloom Lake Mine. The Lac Lamêlée South property (32 claims) is also located approximately 50 km southwest of Bloom Lake Mine.

The Company's interest in the following properties is owned through CIML, which either owns a 100% interest or, where noted below, a 45% joint venture interest.

Property – Québec	SNRC	Number of Claims	Area, ha
Consolidated Fire Lake North ⁽¹⁾	23B06; 23B11; 23B12	571	28,879
Harvey-Tuttle	23B12; 23B05	191	10,010
Moiré Lake	23B14	36	1,665
O'Keefe-Purdy	23B11; 23B12	203	10,623
Peppler	23B05	112	5892
Lamêlée	23B05; 23B06; 23B11; 23B12	247	12,953
Hobdad	23B05; 23B06	93	4,894
Lac Lamêlée South	23B05; 23B06	32	1,682
Round Lake ^{(2) (3)}	23B04; 23C01; 22N16	111	5,875

Notes:

⁽¹⁾ CFLN includes the Fire Lake North West and East deposits, the Oil Can deposit, the Bellechasse deposit and the Don Lake deposit.

⁽²⁾ Joint venture with Cartier Silver Corporation (55%) and CIML (45%).

⁽³⁾ Round Lake property includes Aubrey-Ernie, Black Dan, Penguin Lake and Round Lake project claims.

Powderhorn and Gullbridge Properties (Copper/Zinc)

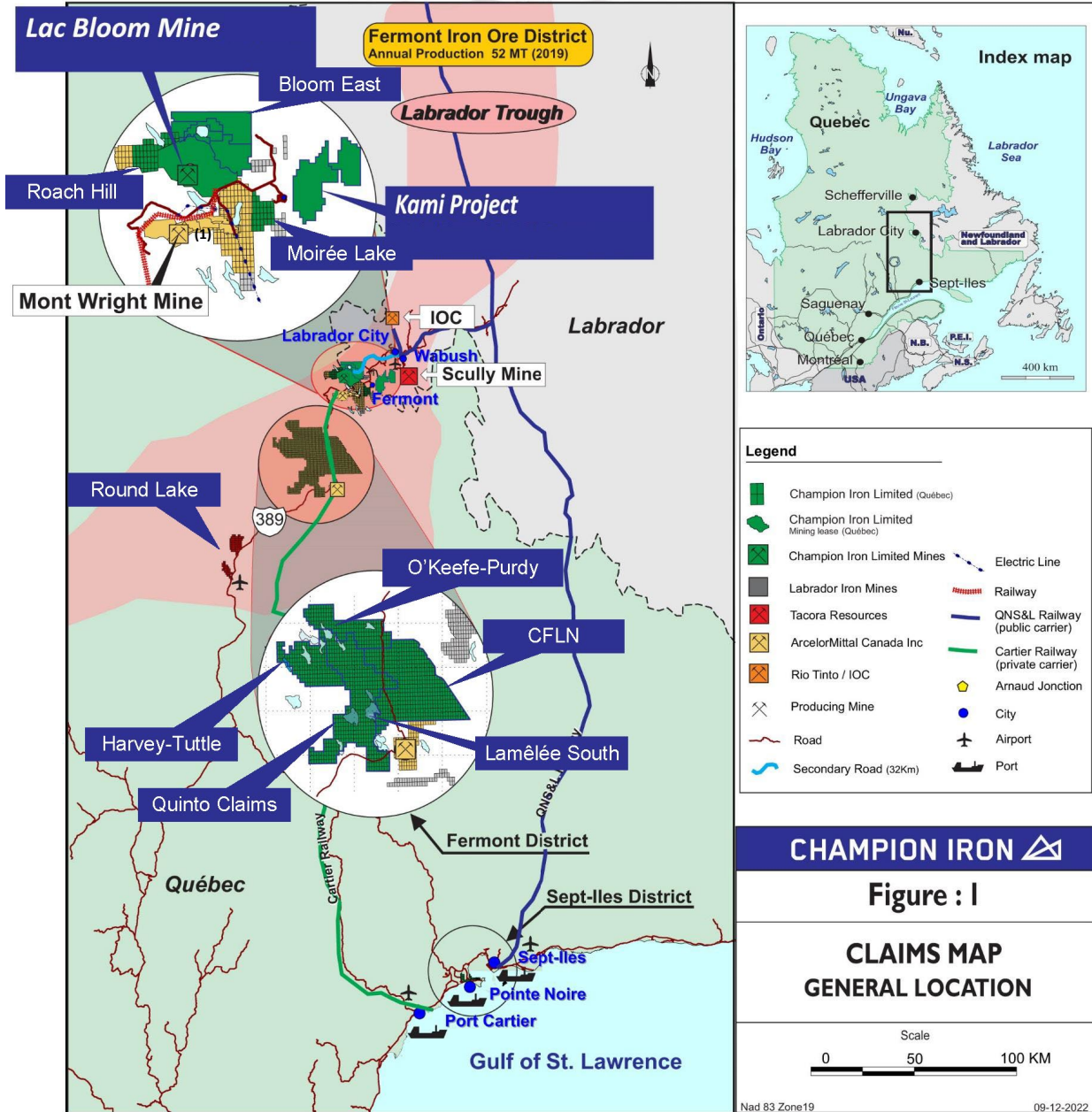
The Powderhorn property (185 claims) and the Gullbridge property (67 claims) are located on the island of Newfoundland, 15km North of Badger on the Trans-Canada Highway.

The Company's 100% interest in these properties is owned through CIML.

Property – Newfoundland and Labrador	Licences	Number of Claims	Area, ha
Powderhorn	25097M, 25098M, 25609M, 25611M, 25614M	185	4,625.00
Gullbridge	11956M, 11960M	67	1,675.00

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Map 1: Fermont Area Properties



Notes to Map 1:

1. Bloom Lake (Lac Bloom) Phase II proven and probable reserves are based on the Phase II Feasibility Study. Effective date of the estimate – May 17, 2019. Bloom Lake (Lac Bloom) Phase II Mineral Reserves include Bloom Lake (Lac Bloom) Phase 1 Mineral Reserves as of the effective date of the Mineral Reserve estimate reported in the Phase II Feasibility Study.
2. The historical Kami Project resource estimates are based on the NI 43-101 technical report entitled “Feasibility Study of the Rose Deposit and Resource Estimate for the Mills Lake Deposit of the Kamistiasusset (Kami) Iron Ore Property, Labrador” prepared for Alderon Iron Ore Corp. by BBA Inc., Stantec and Watts, Griffis and McOuat Ltd. dated January 9, 2013, and having an effective date of December 17, 2012. The historical Kami Project reserve estimates are based on the NI 43-101 technical report entitled “Updated Feasibility Study of the Kamistiasusset (Kami) Iron Ore Property, Labrador” prepared for Alderon Iron Ore Corp. by BBA Inc., Gemtec Ltd., Watts, Griffis and McOuat Ltd. and Golder Associates Ltd. dated October 31, 2018, and having an effective date of September 26, 2018. Kami Project mineral resources include Kami Project mineral reserves. The historical Mineral Resources and Mineral Reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 or the JORC Code and should therefore not be relied upon. A Qualified Person has not done sufficient work to upgrade or classify the historical estimates as current Mineral Resources or Mineral Reserves, the Company is not treating the historical estimates as current Mineral Resources or Mineral Reserves, and it is uncertain

whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code. See “*Technical Disclosure*” above.

3. The historical Moiré Lake resource estimates are based on the NI 43-101 technical report entitled “Technical Report and Mineral Resource Estimate on the Moiré Lake Property” by P&E Mining Consultants Inc. 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 or the JORC Code and should therefore not be relied upon. A Qualified Person has not done sufficient work to upgrade or classify the historical estimates as current Mineral Resources or Mineral Reserves, the Company is not treating the historical estimates as current Mineral Resources or Mineral Reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code. See “*Technical Disclosure*” above.
4. The historical Consolidated Fire Lake reserve estimates are based on the NI 43-101 technical report entitled “Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project” by BBA Inc., P&E Mining Consultants Inc. and Rail Cantech Inc. dated February 22, 2013, and having an effective date of January 25, 2013. The historical Mineral Reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 or the JORC Code and should therefore not be relied upon. A Qualified Person has not done sufficient work to upgrade or classify the historical estimates as current Mineral Resources or Mineral Reserves, the Company is not treating the historical estimates as current Mineral Resources or Mineral Reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code. See “*Technical Disclosure*” above.
5. The historical Lac Lamélée resource estimates are based on the NI 43-101 technical report entitled “NI 43-10 Technical Report and Mineral Resource Estimate on the Lac Lamélée South Resources Quebec - Canada” by Met-Chem, a division of DRA Americas Inc. 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 (2012 edition) and should therefore not be relied upon. A Qualified Person or competent person has not done sufficient work to upgrade or classify the historical estimates as current “mineral resources”, “mineral reserves” or “ore reserves”, as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. 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 mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.

Iron Ore Industry and Markets

Iron ore is used almost exclusively in the production of iron products, which are subsequently transformed into steel. Demand for iron ore is directly related to global levels of steel production. The price of iron ore products is based principally on their iron content. Global iron ore prices have historically fluctuated with global demand for steel, among other factors. Another key component of iron ore price setting is applicable transportation costs. The Company’s clients consist principally of major steel mills in China, Japan, the Middle East, Europe and South Korea.

During the third quarter of 2021, the Company’s subsidiary QIO entered into separate framework agreements with each of Sojitz, a major trading company based in Tokyo, Japan, and Glencore AG (“**Glencore**”), granting Sojitz and Glencore certain marketing and purchase rights with respect to the Company’s iron ore production at the Bloom Lake Mine. These framework agreements amend and restate the prior agreements entered into in 2017 by QIO with each of Sojitz and Glencore.

See also “*Risk Factors – Iron Ore Prices*”, “*Risk Factors – Global Financial Condition and Capital Markets*” and “*Risk Factors – Structural Shift in the Steel Industry’s Production Methods*” below.

Competitive Conditions

The iron ore mining and mineral exploration business is highly competitive. The Company competes with numerous companies that have resources significantly in excess of the resources of the Company, in the search for (i) attractive iron ore mineral properties; (ii) qualified service providers and labour; (iii) equipment and suppliers; and (iv) purchasers for iron ore produced. The ability of the Company to acquire mineral properties in the future will depend on its ability to develop and operate its present properties and also on its ability to select and acquire suitable producing properties or prospects for iron ore development or mineral exploration. See also “*Risk Factors – Competitive Conditions*”, “*Risk Factors – Iron Ore Prices*” and “*Risk Factors – Fluctuating Minerals Prices*” below.

Environmental Protection

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. These regulations set forth a wide range of sanctions and penalties, both criminal and civil, for violations of the regulations. Compliance with such laws and regulations increases the costs and delays of exploration, planning, designing, drilling and developing the Company's properties.

To date, applicable environmental legislation has had no material financial or operational effect on the Company. See also "*Risk Factors – Environmental Risks and Hazards*" and "*Risk Factors – Applicable Laws and Regulation*" below.

Employees

As of March 31, 2023, the Company had 1,014 full-time employees and 5 contractual workers working at Bloom Lake and the Company's offices in Montréal, Québec, Sydney, Australia and Toronto, Ontario.

The Company is dependent on the services of key executives, including the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Senior Vice-President, General Counsel and Corporate Secretary, the Senior Vice-President, Corporate Development and Capital Markets, the Senior Vice-President, Human Resources and a small number of highly skilled and experienced executives and personnel. See "*Risk Factors – Dependence on Management and Key Personnel*" below.

Mineral Resource and Mineral Reserve Estimates

The following table presents the Mineral Resources for Bloom Lake estimated at a cut-off grade of 15% Fe, inside an optimized open pit shell based on a long-term iron price of US\$61.50/dmt for 62% Fe content, a premium of US\$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C\$/US\$. The Measured and Indicated Mineral Resources are estimated at 814 Mt with an average grade of 29.0% Fe, and Inferred Mineral Resources are estimated at 128 Mt with an average grade of 27.2% Fe. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mineral Resource Estimate for Bloom Lake as of March 31, 2023

Classification	Tonnage (dry)	Fe	CaO	MgO	Al ₂ O ₃
	Mt	%	%	%	%
Measured	197	30.4	1.2	1.2	0.3
Indicated	618	28.6	2.1	1.9	0.5
Total Measured and Indicated	814	29.0	1.9	1.7	0.4
Inferred	128	27.2	1.3	1.2	0.5

Notes on Mineral Resources:

1. The Mineral Resource Estimate ("MRE") was prepared by or under the supervision of Vincent Blanchet, P.Eng. Mr. Blanchet is a Qualified Person. The MRE is based on the March 31, 2023, surveyed topographic surface. CIM definitions and guidelines for Mineral Resource Estimates have been followed.
2. These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The MRE presented herein is categorized as Measured, Indicated, and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as Indicated or Measured.
3. Resources are presented as undiluted and in situ for an open-pit scenario and are considered to have reasonable prospects for economic extraction. The constraining pit shell was developed using pit slopes varying from 42 to 46 degrees.

4. Grade model resource estimation was calculated from drill hole data using an Ordinary Kriging interpolation method in a block model using blocks measuring 10 m x 10 m x 14 m (vertical) in size.
5. The MRE was estimated using a cut-off grade of 15% Fe, inside an optimized open pit shell based on a long-term iron price of US\$61.50/dmt for 62% Fe content, a premium of US\$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C\$/US\$.
6. Numbers may not add due to rounding.
7. The author is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported in the Phase II Feasibility Study, that could materially affect the Mineral Resource estimate.
8. Mineral Reserves stated below are included in the Mineral Resources.

The Proven and Probable Mineral Reserves are estimated at 713 Mt at an average grade of 28.7% Fe based on a cut-off grade of 15% Fe. The Mineral Reserves were estimated using a long-term concentrate price of US\$61.50/dmt for 62% Fe content, a premium of US\$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C\$/US\$. The Mineral Reserve includes a mining dilution and ore loss calculated on a block-by-block basis based on the neighbouring blocks lithology and grade. The average strip ratio of the remaining material in the open pit is 1.01.

Mineral Reserve Estimate for Bloom Lake as of March 31, 2023

Classification	Diluted Ore Tonnage (dry)	Fe	CaO	MgO	Al ₂ O ₃
	Mt	%	%	%	%
Proven	191	30.0	1.2	1.2	0.3
Probable	522	28.2	2.3	2.1	0.5
Total Proven and Probable	713	28.7	2.0	1.8	0.4

Notes on Mineral Reserves:

1. The Mineral Reserves were prepared by or under the supervision of Brandon Wilson, P.Eng. Mr. Wilson is a Qualified Person. The Reserves are based on the March 31, 2023, surveyed topographic surface. CIM definitions and guidelines for Mineral Reserves Estimates have been followed.
2. Stockpiles are included in the proven category and are estimated at 1.1 Mt.
3. The Mineral Reserve was estimated using the March 31, 2023, surveyed topographic surface.
4. The mining dilution estimate for Mineral Reserve reporting consists of a dilution skin of 2m across and along strike. The dilution model accounts for the geometry of the model and the number of contacts between ore and waste material. The dilution represents 1.5% of the total ore tonnage at a grade of 0% Fe. A mining recovery of 97.6% was used for the study based on historical mine to mill reconciliations.
5. Mineral Reserves are estimated at a cut-off grade of 15% Fe.
6. Mineral Reserves are estimated using a long-term iron price reference price (P62) of US\$61.50/dmt and an exchange rate of 1.24 C\$/US\$. The revenue factor of the selected shell was 0.99, which would correspond to P62 at US\$60.89/dmt. A price adjustment of US\$12.70/dmt was added for the 66.2% Fe concentrate grade.
7. The author is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported in the Phase II Feasibility Study, that could materially affect the Mineral Reserve estimate.
8. Numbers may not add due to rounding.

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RISK FACTORS

An investment in securities of the Company is highly speculative and involves significant risks. If any of the events contemplated in the risk factors described below actually occurs, the Company's business may be materially and adversely affected and its financial condition and results of operation may suffer significantly. In that event, the trading price of the Ordinary Shares could decline and purchasers of Ordinary Shares 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 and adversely affect its business.

Iron Ore Prices

The Company's principal business is the exploration, development and production of iron ore. The Company's future profitability is 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/demand balance. Given the historical volatility of iron ore prices and the increased volatility 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. 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, pandemics or epidemics (such as COVID-19), extreme seasonal weather conditions, geopolitical events such as the current conflict between Russia and Ukraine or the increased tensions between China and other countries, global economic conditions, including trade protection measures such as tariffs and import and export restrictions, production levels and costs and transportation costs in major iron ore producing regions). 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-grade 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 development and operations would be evaluated and if warranted, could be discontinued.

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, 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, but 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 securities of the Company may result.

Freight Costs and Inflation

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 congestions globally and, in the last few years, the COVID-19 pandemic, in addition to high fuel prices and ongoing inflationary pressure, continue to persist worldwide. Such dynamics in tandem with limited capacity and equipment, has resulted in the past and may continue to result in 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 affect the Company's business, results of operations and profitability.

Infrastructure and Reliance on Third Parties for Transportation of the Company's Iron Ore Concentrate

Some of the Company's properties are located in relatively remote areas at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure, which could add to time and cost required for mine development.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. In order to develop mines on its properties, the Company has entered into various agreements for various infrastructure requirements, including for rail transportation, power and port access with various industry participants, including external service and utility providers. These are important determinants affecting capital and operating costs. The Company has concluded agreements with the relevant rail companies, loading and port authorities necessary for the transportation and handling of production of Bloom Lake iron ore, including from the Phase II expansion, and disruptions in their services could affect the operation and profitability of the Company.

In addition, the Company's mining operations and facilities are intensive users of energy, 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. 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 results of operations and financial condition.

Liquidity / Financing Risk

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 projected modifications to the Phase II Plant and infrastructure required to upgrade the Company's current production to DRPF grade iron ore (which is expected, pending final investment decision, to require \$470.7 million in capital expenditures over 30 months), the contemplated re-commissioning of the Pellet Plant, 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. 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. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties which could in turn materially affect the Company's business, results of operations and profitability.

As of March 31, 2023, the Company had cash and cash equivalents of approximately \$326.8 million and face value of long-term debt of approximately \$487.7 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 and cash equivalents 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 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, 2023, the Company had (i) an undrawn amount of US\$220.0 million on the Revolving Facility, with the debt outstanding being in the amount of US\$180.0 million, (ii) an undrawn amount of US\$36.1 million on the Equipment Financing Facility, with the debt outstanding being in the amount of US\$77.6 million, (iii) a fully drawn IQ Loan, with the debt outstanding being in the amount of \$64.0 million, and (iv) a fully drawn FTQ Loan, with the debt outstanding being in the amount of \$75.0 million. Accordingly, as of March 31, 2023, the Company had a total \$346.6 million of undrawn available financing. See also "*Financial Year ended March 31, 2023 – 2022 Refinancing*" above.

The Company's ability to reduce its indebtedness and meet its payment obligations will depend on its future financial performance and ability to raise additional capital if and when needed, which will in each case 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 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 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) companies that have payables to the Company, including concentrate customers; and (v) companies 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.

Global 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 and the first half of 2020. 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 2012-2013, debt crises in certain European countries and other factors adversely affected the recovery. Similarly, in recent years, the COVID-19 pandemic and the conflict between Russia and Ukraine have resulted in slowdowns and increased volatility in world economies. Recently, the banking crisis in the United States that began with solvency concerns at Silicon Valley Bank has had a destabilizing effect on financial markets with unknown future consequences. 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 natural disasters, pandemics (including the COVID-19 pandemic), geopolitical instability, changes to energy prices or sovereign defaults.

These factors may impact the ability of the Company to obtain equity or debt financing in the future on favourable terms or in a timely manner. 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 could be adversely impacted and the trading price of its Ordinary Shares may be adversely affected.

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 of production are based on the mine plan that reflects the expected method by which the Company will mine Mineral 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 at

the operation, including natural phenomena, such as inclement weather conditions, and unexpected 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. 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 affect the Company's business, results of operations and profitability.

Foreign Exchange

Iron ore is sold in U.S. dollars and thus revenue generated by the Company from production on its properties are received in U.S. dollars, while operating and capital costs are incurred primarily in Canadian dollars (a notable exception includes sea freight costs, which are usually incurred in U.S. 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 fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. A decline in the U.S. dollar would result in a decrease in the real value of the Company's revenues and adversely impact the Company's financial performance. 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 of its borrowings being at variable rates of interest. As of March 31, 2023, US\$257.6 million of the Company's borrowings was at variable rates. In order to manage inflation risks in accordance with their mandates, the central banks of several jurisdictions including Canada have increased their benchmark rates and may continue to increase their benchmark rates in the short to medium term. A significant, prolonged increase in 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 reduce the profitability of the Company and affect the trading prices of its Ordinary Shares.

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 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 or the establishment by China of trade protection measures such as tariffs and import and export restrictions could result in lower prices and demand for iron ore. For example, in the financial year ended March 31, 2023, China's zero-COVID policy resulted in a decrease in industrial activity in China which had a negative impact on the price of iron ore. A decrease in economic growth rates could lead to a reduction in demand for iron ore. 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, to achieve production and on its financial performance. See also "Global Financial Conditions and Capital Markets" above.

Structural Shift in the Steel Industry's Production Methods

With an increased focus on decarbonizing the steel industry and reducing greenhouse gas emissions in the steelmaking processes, the steel industry is experiencing a structural shift in its production methods. This dynamic is expected to create additional demand for higher-purity iron ore products, as the industry transitions towards DRI. 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 favor the green steel supply chain. 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 and adversely affect the Company's business, results of operations 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 adversely affect its business, results of operations or financial condition. While the Company has completed the DRPF Feasibility Study and Bloom Lake is one of the few iron-ore deposits in the world capable of upgrading its product to DRPF quality iron ore, final investment decisions in respect of the DRPF Project have not been made and there are significant risks associated with the DRPF Project. See also "*Development and Expansion Projects Risks*" below.

Carbon Emissions, Global Carbon Tax and Carbon Import Duties

There continues to be an increasing focus on carbon (also referred to as "greenhouse gas" or GHG) emissions produced by the mining and other industries. Legislation and regulations in various jurisdictions aimed at reducing domestic greenhouse gas emissions, implementing systems to prevent the import of goods with embedded emissions or reporting requirements on the matter continue to be considered or adopted. While we expect that carbon taxes will increase over time, it is not yet 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 and ESG Matters*" below.

Additionally, the Company has committed to certain GHG emission reduction targets. Achieving these targets is subject to several risks and uncertainties, and there can be no certainty that the Company will achieve these targets within the stated timeframe, or that achieving any of these targets will meet all of the expectations of its stakeholders or applicable legal requirements. Also, 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 adversely affected, which could materially adversely affect the Company's business and financial results.

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, metal and mineral prices, which are highly cyclical, 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. Even 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's 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.

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, labor force disruptions, health crises (including pandemics and epidemics), adjacent or adverse land or mineral ownership rights or claims that may result in constraints on current or future mining operations, unavailability 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 concentrate to customers, 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 results of operations. 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. 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 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 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 and adversely affect the development of a project or the operations of a facility, including the DRPF Project, which could have a material adverse impact on the Company.

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 and 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 and adversely affect the Company's business, financial condition, results of operations and cash flows.

Uncertainty of Mineral Resource and Mineral Reserve Estimates

Although the Mineral Resource and Mineral Reserve estimates included herein have been carefully prepared by independent mining experts, 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 Mineral 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 Mineral 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 results of operations. Material changes in Mineral Resources and Mineral Reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral Resources and Mineral Reserves are reported as general indicators of LOM. Mineral Resources and Mineral Reserves 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 Mineral Reserves and corresponding grades. Until ore is actually mined and processed, Mineral Resources and Mineral Reserves and grades must be considered as estimates only. In addition, the quantity of Mineral Resources and Mineral Reserves may vary depending on mineral prices. Any material change in resources, Mineral Resources or Mineral 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 are used to determine the economic viability of a deposit, as are Pre-Feasibility Studies and preliminary economic assessments. Feasibility Studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. 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 DRPF Feasibility Study as well as the Kami Project Feasibility Study and the feasibility study to evaluate the re-commissioning of the Pellet Plant are based on the best information available to the Company, it cannot be certain that actual costs under each feasibility study will not significantly exceed the estimated cost. 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 Mineral 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 feasibility studies, including the Phase II Feasibility Study and the DRPF Feasibility 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, pandemics or 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 the feasibility studies, including the Phase II Feasibility Study and the DRPF Feasibility 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 sole producing asset providing all of the Company's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Bloom Lake Mine, would materially and adversely affect the financial condition and financial sustainability of the Company. In addition, the results of operations of the Company could be materially and 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 "*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 the COVID-19 pandemic or other potential pandemics or epidemics, including regulatory measures intended to address the pandemic or operating restrictions imposed to protect workers, supply chain impacts and other factors. These and other risks could lead to delays in developing certain properties or delays in current mining operations, and such delays could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

In addition, while the Company has conducted the DRPF Feasibility Study in order to evaluate flowsheet modifications to the Phase II Plant and infrastructure required to upgrade the Company's current production to DRPF, and that the Board has approved a cumulative initial budget of \$62 million to secure the DRPF Project timeline, a final investment decision in respect of the Project has not been made. There is no assurance that the Company will proceed with the DRPF Project. Further, if the Company were to proceed with the DRPF Project, there is no assurance that the Company will be able to complete the DRPF Project in a cost-effective or timely manner, or that it will realize, in full or in part, the anticipated benefits it expects to generate from the DRPF Project. Furthermore, the integration of the DRPF Project with Bloom Lake's existing infrastructure would be expected to require additional onsite work programs, including modifications and tie-ins to the Phase II Plant, a modification to its access road and an upgrade to the site's electricity transport and distribution systems as well as potentially requiring modifications to SFPPN facilities, all of which could increase the risk of shutdowns, outages or other events which would cause the Bloom Lake Mine to operate at less than optimal capacity and negatively impact production, which could in turn have a material adverse effect on the Company's business, results of operations or financial condition. See "*Financial Year ended March 31, 2023 – Direct Reduction Pellet Feed Project*" above and also "*Structural Shift in the Steel Industry's Production Methods*" above.

Replacement of Mineral Reserves

The Bloom Lake Mine is currently the Company's only source of production. The Company's ability to maintain, past the current LOM at the Bloom Lake Mine, or increase its annual production will depend on its ability to bring new mines into production and to expand Mineral Reserves at the Bloom Lake Mine. 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 Mineral 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 reserves will not be offset by discoveries. As a result, the reserve base of the Company may decline if 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 future cash flows, earnings, results of operations and financial condition.

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. 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 cost of compliance with such changes to Environmental Laws has a potential to adversely impact the Company's future cash flows, earnings, results of operations and financial condition.

The Company's operation is subject to environmental regulations which are enforced primarily by the Ministry of Natural Resources and Forests and the Ministry of the Environment, the Fight Against Climate Change, Wildlife and Parks (Québec), the Department of Environment, Climate Change and Municipalities and the Department of Industry, Energy and Technology (Newfoundland and Labrador), Fisheries and Oceans Canada, and Environment and Climate Change Canada.

Reclamation Costs and Related Liabilities

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. 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 future cash flows, earnings, results of operations and financial condition.

Applicable Laws and Regulations

Exploration, development and mining of minerals are subject to extensive and complex federal, provincial and local laws and regulations, 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, results of operations 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, results of operations or financial condition.

Potential First Nations Land Claims

The Company conducts its operations in the Province of Québec and in the Province of Newfoundland and Labrador, which areas 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 which may be affected by the proposed project and, in some circumstances, accommodate them. The outcome of such consultations may significantly delay or even prevent the development of the Company's properties.

There is an increasing level of public concern relating to the perceived effect 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 reputation, results of operations and financial performance.

The development and the operation of the Company's properties may require the entering into of impact and benefits agreements ("IBAs") or other agreements with the affected First Nations. As a result of such IBAs or other agreements, 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 required in the future for other projects may significantly delay the development of the properties. There can be no assurance 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 which affects the Kami Project, the CFLN project, the Quinto Claims or any of the Company's other projects.

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.

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 future cash flows, earnings, results of operations 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.

Climate Change and ESG Matters

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 greenhouse gas 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, changes in rainfall and storm patterns and intensities and changing temperatures. Associated with these physical risks is an increasing risk of climate-related litigation (including class actions) and the 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.

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 results of operations. In addition, there is increased investor attention on environmental, social and governance issues more generally. Notwithstanding our commitment to conducting our business in a socially responsible manner, to the extent mining companies fall out of favour with some investors due to the 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 our shareholder base and access to capital.

Natural Disasters, Unusually Adverse Weather, Epidemic or Pandemic Outbreaks, Boycotts and Geopolitical Events

The occurrence of one or more natural disasters, adverse weather events, pandemic or epidemic outbreaks, such as the COVID-19 pandemic, boycotts and geopolitical events, such as the current conflict between Russia and Ukraine or the increased tensions between China and other countries, global economic conditions, including trade protection measures such as tariffs and import and export restrictions, or similar disruptions could materially adversely affect the Company's business, results of operations or financial condition. Some of these events could result in physical damage to property, an increase in energy 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 have a material adverse impact on its business, operating results and financial condition.

For instance, over the past years, the Company's operations were affected by the COVID-19 pandemic, which resulted in the Company being required at times to suspend or reduce mining activities as a result of governmental restrictions and other factors. The COVID-19 pandemic also impacted commodity prices, workforce productivity and availability, contractor availability, supply availability, the availability to the Company of insurance and the cost thereof and ultimately the Company's ability to sell or deliver iron ore. There continues to be uncertainty surrounding the COVID-19 pandemic, and the full extent to which COVID-19 (including as a result of the effect of new variants of the virus in the future) may impact the Company's business, results of operations or financial condition or the global economy and the markets in which the Company operates and sells its products, including China, will depend on unknown future developments which the Company cannot predict.

Increasing Global Instability as a Result of the Russia-Ukraine Conflict

Although the Company does not conduct business directly with or within Russia and Ukraine, increasing global instability could impact its operations with worsening supply chain disruptions coupled with macro-economic forces increasing volatility in markets, commodity prices and foreign exchange, driving up fuel prices and increasing inflationary pressures limiting consumer spending capacity and rising operating expenses. In addition, governments have warned of potential coordinated cyberattacks on critical infrastructures. Additionally, the conflict triggered global sanctions across many jurisdictions, which may impact the global trade flows of iron ore products and steel, which could impact 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, results of operations and profitability.

Reliance on Small Number of Significant Customers

While the Company continuously increases its portfolio of active customers in tandem with its increasing iron ore production volumes, it relies on a relatively small number of significant customers in connection with the sale of its iron ore. Additionally, the Company's larger customers are located in concentrated geographical areas, including China, Japan, the Middle East, Europe and South Korea. As a result of this reliance on the limited number of customers, the Company could be subject to adverse consequences if any of these customers breaches their purchase commitments.

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 the COVID-19 pandemic, the Russia-Ukraine conflict 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.

Dependence on Third Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish Mineral Resources and Mineral 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 such parties' work is deficient or 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 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 information technology 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 information technology systems could materially adversely affect its financial condition and results of operation. Information technology systems failures could also materially adversely affect the effectiveness of the Company's internal controls over financial reporting.

Cybersecurity Threats

The Company's operations depend, in part, on how well it and its suppliers protect networks, technology systems and software against damage 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, financial condition and results of operations. The Company is subject to cybersecurity attacks and related threats from time to time. Although 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. The risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. 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.

The Company and its third party service providers also collects, uses, discloses, stores, transmits and otherwise processes customer, supplier and employee and others' data 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. Any such event could harm the Company's reputation and result in litigation against it.

Litigation

All industries, including the mining industry, are subject to legal claims, with and 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. While the Company is not aware of any pending or contemplated legal proceedings the outcome of which could have a material adverse effect on the Company's financial condition and results of operations, the Company may become subject to legal proceedings in the future, the outcome of which 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 financial condition and results of operations.

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 Ordinary Shares 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 the Ordinary Shares will be affected by such volatility.

Certain investors may base their investment decisions on consideration of the Company's environmental, governance and social 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 Ordinary Shares by those investors, which could materially adversely affect the trading price of the Ordinary Shares.

Reputational Risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-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 marketplace. 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 a 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. 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, thereby having a material adverse impact on its financial performance, cash flows, operations and growth prospects.

Internal Controls and Procedures

Management of the Company has established processes to provide them with sufficient knowledge 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 of 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, results of operations and cash flow of the Company, as of the date of and for the periods presented. The Company files certifications of annual and interim filings, signed by the Company's Chief Executive Officer and Chief Financial Officer, as required by National Instrument 52-109 – *Issuers' Annual and Interim Filings*. In such certifications, the Company's Chief Executive Officer and Chief Financial Officer certify 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. 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. They are not a guarantee of perfection. 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 adversely affect the Company's reputation, business, results of operations and ability to finance.

Insurance and Uninsured Risks

The Company currently maintains insurance to protect it against certain risks related to its 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 (such as, for example, matters relating to environmental losses and pollution). 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 in this AIF 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 result, each of which could have a material adverse impact on the Company's cash flows, earnings, results of operations and financial condition.

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, a director is required to disclose the conflict of interest and to abstain from voting on the matter.

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 has largely depended, and in the future will continue to depend, on the efforts of management and other key personnel to develop its projects. Loss of any of these people, particularly to competitors, could have a material adverse impact on the Company. 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.

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 workforce. Work stoppages, prolonged labor 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 have a material adverse impact on the Company's projects, the Company's cash flows, earnings, results of operations and financial condition.

Although the Company and its mine site workers agreed on the terms of a new 3-year collective agreement on June 23, 2021, 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 labor environment could result in a strike or work interruptions or other disruptions to the Company's operations, damage to the Company's property and/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, results of operations 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 with other parties, many of which have greater financial resources than the Company. 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.

Dilution and Future Sales

The Company may from time to time undertake offerings of its Ordinary Shares or of 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.

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 programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. From time to time, the Company may enter into option agreements and joint ventures as a means of gaining property interests and raising funds. The Company may also enter into other strategic alliances, partnerships or investments (such as, for example, the MOU with an international steelmaking company that outlines a framework for a joint venture to produce DR grade iron ore pellets at the Pellet Plant).

There are risks associated with the foregoing, including: the sharing of confidential information; 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; unforeseen costs or liabilities; litigation or other claims arising in connection with the partnership or joint venture; and the possibility of adverse tax consequences. In determining whether or not the Company will participate in a particular program, the structure of its participation and the interest therein to be acquired by it, the directors of the Company 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.

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 we do 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 position, and results of operations.

Ability to Support the Carrying Value of Non-Current Assets

As of March 31, 2023, the carrying value of the Company's non-current assets was approximately \$1,577.3 million, or approximately 70% 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, Mineral 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.

MATERIAL PROPERTY – BLOOM LAKE

On April 11, 2016, the Company, through QIO, acquired the Bloom Lake Assets. Although Bloom Lake had mining operations for several years, mining operations at Bloom Lake were suspended in December 2014 and the mine was transitioned to care and maintenance mode. Subsequently to the release of the 2017 Feasibility Study, namely on February 16, 2018, QIO recommenced production at Bloom Lake and made its first shipment of high grade 66% iron ore concentrate on April 1, 2018. Commercial production at Bloom Lake was declared on June 30, 2018.

In 2018, the Company undertook the Phase II Feasibility Study with respect to an expansion of the operations at the Bloom Lake Mine, which mainly involved the completion of construction work on a processing plant and other supporting infrastructure which was interrupted in November 2012 by the Bloom Lake Mine's previous owner. The Company reported the findings of the Phase II Feasibility Study on June 20, 2019, and filed the related NI 43-101 technical report entitled "Bloom Lake Mine – Feasibility Study Phase II", having an effective date of June 20, 2019, under its profile on SEDAR (www.sedar.com) on August 2, 2019.

On November 12, 2020, the Board provided final approval to complete the Bloom Lake Phase II expansion project, which aims to double the nameplate capacity of Bloom Lake to 15 Mtpa of 66.2% Fe iron ore concentrate by completing the construction of a second concentrator plant and related infrastructure, in addition to adapting the mine plan to support a 20-year LOM.

Phase II commissioning was achieved ahead of schedule in late April 2022, despite pandemic-related challenges, positioning the Company to ramp up towards commercial production. On May 3, 2022, the Company announced the completion of the first rail shipments containing 24,304 wet metric tonnes of high-grade 66.2% Fe iron ore concentrate from the Phase II expansion project at the Bloom Lake Mine. The Company reached commercial production in December 2022.

André Allaire, P. Eng., Isabelle Leblanc, P. Eng., and Pierre-Luc Richard, P. Geo. of BBA Inc., Mathieu Girard, P. Eng., of Soutex ("**Soutex**"), and Philippe Rio Roberge, P. Eng. of WSP Canada Inc. ("**WSP**") (collectively the "**Feasibility Study Authors**"), prepared the Phase II Feasibility Study. Each of the Feasibility Study Authors is a Qualified Person and is independent of the Company. Each of the Feasibility Study Authors is a member of the *Ordre des géologues du Québec* or the *Ordre des ingénieurs du Québec*, as applicable. The Phase II Feasibility Study was prepared for the Company to provide an independent, NI 43-101 compliant technical report on the Bloom Lake Phase II expansion project.

The information in the following section has been derived from and is substantially based on the information assumptions, qualifications and procedures set out in the Phase II Feasibility Study. There has been no material change to the estimates and information provided in the Phase II Feasibility Study. The Company confirms that all the material assumptions underpinning the Proven and Probable Reserves in the Phase II Feasibility Study continue to apply and have not materially changed. Readers should consult the Phase II Feasibility Study to obtain further particulars regarding the Bloom Lake project.

Mr. Vincent Blanchet, P. Eng., Engineer at QIO is a Qualified Person and has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this section. 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 Phase II Feasibility Study. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

Figures or charts referred to in this summary but not reproduced herein may be viewed in the Phase II Feasibility Study. Table references (except Table 10-1-1) are references to the tables in the Phase II Feasibility Study, certain of which are reproduced herein. Unless stated otherwise, technical information in this AIF regarding the Bloom Lake project should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Phase II Feasibility Study and the summary provided herein is qualified in its entirety by the Phase II Feasibility Study. Capitalized and abbreviated terms appearing in the following summary shall have the meaning ascribed to such terms in the Phase II Feasibility Study.

Property Description and Location

The Bloom Lake property is located in the Labrador Trough area straddling the border between Québec and Labrador. There are several iron ore mines in the area including Mont-Wright owned by ArcelorMittal and Carol Lake owned by Iron Ore Company of Canada ("IOC"). The Scully Mine, located in Labrador and once owned by Cliffs Natural Resources ("Cliffs"), ended its activities in 2014 and is now owned by Tacora Resources ("Tacora"). Tacora has reactivated operations at the Scully Mine and the first train of concentrate from the concentrator arrived in Pointe Noire at the end of June 2019.

The Bloom Lake property is owned by QIO. QIO has owned the property and the facilities at the Bloom Lake mining site since April 11, 2016.

The mining site is located in the north-eastern part of the province of Québec, adjacent to the Labrador/Newfoundland border, in Normanville Township, Kaniapiskau County. The property is centered at latitude 52° 50' North and longitude 67° 16' West, 13 km west of the town of Fermont and 30 km southwest of the municipalities of Wabush and Labrador City.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The mine site lies approximately 13 km west of the town of Fermont (central geographical coordinates 52° 50' N and 67° 16' W). A 5-km access road has been constructed to connect the Bloom Lake mine with Highway 389. It is accessible by road from Baie-Comeau on the north shore of the Saint Lawrence River, as well as by road from the Wabush airport in Newfoundland & Labrador. The Wabush airport is located approximately 30 km from the Bloom Lake mine. The mine site is located approximately 950 km northeast of Montréal.

The rail access to port consists of three separate segments. The first segment is the rail spur on site, consisting of a 31.9-km long segment that is operational and connects to the Quebec North Shore and Labrador ("QNS&L") railway at the Wabush Mines facilities in Wabush, Labrador. This first segment belongs to QIO. The second segment employs the QNS&L railway from Wabush to Arnaud Junction in Sept-Îles. The third section is from Arnaud junction to Pointe-Noire (Sept-Îles), where the concentrate is unloaded, stockpiled, and loaded onto vessels. The third segment is owned by SFPPN, a limited partnership composed by the Government of Québec through the *Société du Plan Nord* and other industrial partners. The assets were acquired by SFPPN from Cliffs' proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"). QIO is a current member of the SFPPN board of directors.

The climate at Fermont is defined as sub-arctic with temperatures ranging from -40°C to +25°C. The prevailing winds are mostly from the west at an average speed of 14 km/h. Average daily maximum temperatures above freezing normally starts in April and falls below freezing by end of October.

The town of Fermont has a population of 2,474 as per Statistics Canada, and is the residential town for employees working for ArcelorMittal's Mont-Wright mine operations. The town has all the required infrastructure to support

employees and families who live there. QIO currently owns a total of 873 rooms in the town of Fermont distributed among the following installations:

- one house, fully furnished, located on *rue Bougainville* (with seven rooms);
- four houses located on *rue des Mélèzes* (with five rooms each and built in 2012);
- twenty-two (22) houses, fully furnished, located on *rue des Bâtisseurs* (12 with eight rooms each, six with seven rooms each and four with five rooms each and built in 2009);
- two blocks (hotels) of 99 rooms of lodging located on *rue du Fer* (built in 2013);
- two units on *rue le Carrefour* (with 16 rooms each);
- four units on *rue des Bâtisseurs* (one with 16 rooms and three with 26 rooms);
- one mobile house on *rue Champlain* (with three rooms);
- one mobile house on *rue Alexandre* (with three rooms);
- seven lots on *rue des Bâtisseurs*; and
- one multi-purpose complex that includes a cafeteria, a gym and recreational facilities.

Current accommodations are fully equipped with furniture, linen, and wiring for communications and entertainment and can house 1,300 people and provide a total of 3,900 meals per day.

The electrical power for the Bloom Lake project is supplied by Hydro-Québec from a T-tap off the 315 kV transmission line L3039 (Montagnais-Normand), which terminates in an existing 315-34.5 kV substation (Substation W), owned by QIO. The substation is located along Provincial Route 389 and includes 2 x 315-34.5 kV, 48/64/80 MVA, oil-filled power transformers. It feeds the existing concentrator plant and mine site via 34.5 kV distribution lines.

The topography of the claims' area is relatively hilly. The average elevation varies between 671 m and 762 m and the highest peaks culminate at about 808 m.

History

In 1951, following the discovery of a cobalt showing at Bloom Lake, James and Michael Walsh staked claims for Mr. Bill Crawford of Sursho Mining Corporation ("SMC"). In February 1952, Québec Cobalt and Exploration Limited ("QUECO") was incorporated to acquire the claims held by SMC.

In 1952, a crew of six prospectors, under the supervision of Mr. K.M. Brown, began a program to prospect an area that included the Bloom Lake property. In June 1952, Mr. R. Cunningham, a mining geologist with Quebec Metallurgical Industries, began to map the various cobalt occurrences at Bloom Lake. Although the results for cobalt were disappointing, several zones of magnetite-hematite iron formation ("IF") were identified between Bloom Lake and Lac Pignac and were sampled. Further exploration was conducted in 1953.

In 1954, Cunningham supervised a program to investigate the iron occurrences through line cutting, geological mapping, and magnetometer surveys. In 1955, Jones and Laughlin Steel Corporation ("J&L") optioned the property from QUECO. Cleveland-Cliffs Iron Company ("CCIC") joined with J&L and conducted a diamond drill program from 1956 through 1957. Two drills were brought to the property and two series of holes, the "QC" and the "X" series, were drilled to test IF on the Bloom Lake property. Holes X-1 to X-11 (XRT - ¾" diameter core) totaled 446 m and Holes QC-1 to QC-30 (AXT size 1.28" diameter core) totaled 4,769 m. The holes were largely drilled on sections 800 ft to 1,000 ft apart (244 m to 305 m). Four of these drillholes were drilled on the west part of the property.

More drilling was conducted in 1966 by Boulder Lake Mines Incorporated, a subsidiary of CCIC, and Jalore Mining Company Limited, a subsidiary of J&L. Holes X-12 to 20, totaling 175 m, and other holes were drilled as part of this

campaign, but these were not on the present property. Some ground magnetometer surveying was also conducted in 1966. J&L's option on the property was terminated in 1968.

In 1971, exploration on the property was renewed by a QUECO-sponsored program that was managed by H. E. Neal & Associates Ltd. ("**HEN**"). The exploration program consisted of line cutting, geological mapping, gravity and magnetometer surveys, and diamond drilling in 1971 and 1972.

These holes were drilled to investigate the potential for IF beneath the amphibolite on the eastern side of the property. Nine drillholes were done in 1971 for a total of 1,834.23 m (341 samples) and 12 were drilled in 1972 (3,497.79 m and 341 samples). Eight of the drillholes were done on Bloom Lake West in 1971 and five were drilled in 1972. The mapping and magnetometer surveys were designed to fill in areas not previously surveyed. The gravity survey was conducted to help evaluate the potential for IF beneath the amphibolite.

In 1973, Republic Steel Corporation optioned the property and HEN prepared a "Preliminary Evaluation" of the property that consisted of the then currently held property and claims further to the west. This work was conducted until 1976. The evaluation included "mineral reserve" estimates, a metallurgical test program, and preliminary mine design. The mine design included a pit outline, dump area, access roads, and railway spur. Dames and Moore prepared the mine design and "reserve" estimates. Lakefield Research ("**Lakefield**") conducted the metallurgical testwork.

In 1998, a major exploration program was conducted by Watts, Griffis and McOuat ("**WGM**") for the Quebec Cartier Mining Company ("**QCM**"), which then held the Bloom Lake property under option from Consolidated Thompson-Lundmark Gold Mines Limited ("**CLM**"). QCM held the option on the property until 2001, but no further work was conducted between 1998 and 2005. The 1998 program included line cutting, surveying, road building, camp construction, diamond drilling, geological mapping, mini-bulk sampling, bench-scale preliminary metallurgical testwork, preparation of a "mineral resource" estimate, camp demobilization, and site clean-up.

In 2005, CLM retained WGM to conduct a technical review, including the preparation of a Mineral Resource estimate for the Bloom Lake iron deposit to assist CLM in making business decisions and future planning. The technical review was prepared in compliance with the standards of NI 43-101 in terms of structure and content. The Mineral Resource estimate was prepared in accordance with NI 43-101 guidelines and CIM standards. In 2006, CLM changed its name to Consolidated Thompson Iron Mines Limited ("**Consolidated Thompson**"). This name change reflected the Company's focus on iron ore mining and exploration.

From 2006 to 2007, Consolidated Thompson drilled 17 drillholes (2,884.36 m) on the site of the future pit in order to provide a sample for metallurgical testwork. The Lakefield laboratory performed these tests. In 2006, bulk sampling took place in the area of the future pit.

Overall, 243 drillholes were made between 1957 and 2009 for a total of 45,386 m and 273 drillholes in 2010, 2012 and 2013 for a total of 89,197 m. Four geotechnical holes were drilled in 2014. The complete description of the drill programs is described in Chapter 10 of the Phase II Feasibility Study.

The construction of the Bloom Lake mine started in 2008 and the plant was commissioned by Consolidated Thompson in December 2009.

Almost immediately after start-up, Consolidated Thompson started a Feasibility Study to double the Bloom Lake site production by the addition of a second concentrator. The study was completed in June 2010 and the construction of the Phase II concentrator started in Q4 of 2010 under Consolidated Thompson and continued after the acquisition of the Bloom Lake site by Cliffs in May 2011.

The Phase II concentrator construction was halted in November 2012 due to falling iron ore prices. Operations at the Bloom Lake site were halted in December 2014 due to the declining iron ore concentrate prices and high operating costs.

On April 11, 2016, through its subsidiary QIO, Champion Iron Limited acquired the Bloom Lake Assets in a CCAA proceeding and restarted operations on February 16, 2018.

Operations at the Bloom Lake site were resumed in February 2018 after completing major modifications to the beneficiation circuit as well as to other parts of the site aiming to increase concentrate production while lowering production costs. The site achieved concentrate production of 6,994,500 wet metric tons in its first full year of operation (financial year ending March 31, 2019).

Table 6-1 shows the historical mining extraction and concentrate production from 2010 to 2022 in millions of metric tons per year.

Table 6-1: Production at the Bloom Lake Mine from 2010 to 2022

	2010	2011	2012	2013	2014 (1)	2015 to 2017	2018 (2)	2019 (2)	2020 (2)	2021 (2)	2022 (2)
	dmt					wmt					
Iron ore mined	10.3	16.9	17.0	17.6	19.3	0	2.7	19.7	20.8	21.6	22.3
Iron ore processed	8.2	15.6	15.8	18.4	18.9	0	1.8	18.5	19.7	20.6	21.0
Iron ore concentrate production	3.2	5.5	5.5	5.9	5.9	0	0.6	7.0	7.9	8.0	7.9

Notes:

(1) Production halted in mid-December 2014.

(2) Financial years ended March 31, 2018, 2019, 2020, 2021 and 2022, respectively.

Geological Setting, Mineralization and Deposit Types

The Bloom Lake iron deposit lies within the Fermeau Iron Ore District (FIOD), a world-renowned iron-mining camp at the southern end of the Labrador Trough within the geological Grenville Province. The Labrador Trough extends along the margins of the eastern boundary of the Superior-Ungava craton for more than 1,200 km and is up to 75 km wide at its central part. The Bloom Lake deposit, including the Bloom Lake West property, is located within the Parautochthonous Deformation Belt of the Grenville Province of the Canadian Shield, just south of the Grenville Front. The Grenville Front, the northern limit of the Grenville Province, truncates the Labrador Trough, separating the Churchill Province greenschist metamorphic grade part of the Labrador Trough rocks from their highly metamorphosed and folded counterparts in the Grenville Province.

The western half of the Labrador Trough, consisting of a thick sedimentary sequence, can be divided into three sections based on changes in lithology and metamorphism (north, central and south). The Labrador Trough is comprised of a sequence of Proterozoic sedimentary rocks including iron formations, volcanic rocks and mafic intrusions known as the Kaniapiskau Supergroup. The Kaniapiskau Supergroup consists of the Knob Lake Group in the western part of the Labrador Trough and the Doublet Group, which is primarily volcanic, in the eastern part. The Kaniapiskau Supergroup within the Grenville Province is highly metamorphosed and complexly folded. It was named Gagnon Group before correlations were made between sequences located on each side of the Grenville Front. It occurs as numerous isolated segments. From the base to the top, it includes a sequence of gneisses and schists, a group of chemically precipitated sediments, and more schists, including some distinctive aluminous varieties. Gabbro sills intrude parts of the sequence, and granites are found in the gneiss.

The Central or Knob Lake Range section extends for 550 km south from the Koksoak River to the Grenville Front located 30 km north of Wabush Lake. The principal iron formation unit, the Sokoman Formation, part of the Knob Lake Group, forms a continuous stratigraphic unit that thickens and thins from sub-basin to sub-basin throughout the fold belt.

Iron deposits in the Grenville part of the Labrador Trough comprise Bloom Lake, Lac Jeannine, Fire Lake, Mont Wright and Mount Reed, and the Luce, Humphrey and Scully deposits in the Wabush area. The high-grade metamorphism of the Grenville Province is responsible for recrystallization of both iron oxides and silica in primary iron formation, producing coarse-grained sugary quartz, magnetite, specular hematite schists (meta-taconites) that are of improved quality for concentrating and processing.

The iron formation and associated metasedimentary rocks, which were derived from an assemblage of continental shelf-type sediments, do not appear to extend south beyond a line trending northeast from the Hart-Jaune River linear to Plaine Lake and northeast to Ossokmanuan Lake. Granite-gneisses, charnockites and anorthosites are part of the rock assemblage south of this line. These typical deep-seated Grenville rocks may have been thrust northwest along a system of faults that coincide with this line. The large suite of gabbro intrusions in the area between Wabush Lake and Ossokmanuan Lake were probably intruded along faults in this linear zone.

The geology and geological interpretations for the Bloom Lake property are based on data from a number of sources. These sources include the diamond drilling and mapping done on the property as part of the 1998 program, presented by WGM in 2005, as well as the drilling conducted in 1956, 1957, 1967, 1971, 1972 and 2007-2014 programs. The geological interpretation relies heavily on the mapping programs conducted in 1952 and the ground magnetic surveys carried out in 1967 and 1971/72 as compiled in 1973 and the survey done in April 2008.

The Bloom Lake deposit comprises gently plunging synclines on a main east-west axis separated by a gently north to northwest plunging anticline. One of these synclines is centered on Triangle Lake, while the center for the other is located just north of Bloom Lake. The Bloom Lake Property is centered primarily on the eastern syncline but covers a portion of the northern limb of the western one.

These synclines are the result of a minimum of two episodes of folding and are of regional scale.

In addition to these regional scale folds, which have created the large-scale shape of Bloom Lake deposit, there are several other folds of diverse orientation on the property. It is not clear if all folding directions represent distinct folding episodes or progressive change in fold orientation with time.

The Bloom Lake deposits are about 24 km southwest of Labrador City and about 8 km north of the Mont Wright range. The western 6 km of this range contains very large reserves of specular hematite-magnetite iron formation in a synclinal structure that is regarded as a southwest extension of the Wabush Lake ranges.

The iron formation and quartzite are conformable within a metasedimentary series of biotite-muscovite-quartz-feldspar-hornblende-garnet-epidote schists and gneisses in a broad synclinal structure. This succession, following the first stage of folding and faulting, was intruded by gabbroic sills that were later metamorphosed and transformed into amphibolite gneiss with foliation parallel with that in adjacent metasediments. Two separate iron formation units are present; these join northwest of Bloom Lake, but are separated by several dozen metres of gneiss and schist in the southern part of the structure. Quartzite, present below the upper member throughout the eastern part of the area, pinches out near the western end. Folded segments and inclusions of iron formation in the central part of the syncline, which are surrounded by amphibolite, are in most cases thought to be part of an overlying sheet that was thrust over the main syncline during the first period of deformation. The large amphibolite mass in the central part of the area was apparently emplaced along the zone of weakness created by this early thrust fault.

Iron formation in the western 5 km to 6 km of the structure is predominantly hematite-quartz facies that form the major zones of potential ore. The hematite is of the specularite type and has a silvery-grey colour and is non-magnetic. It is most often occurring as anastomosing to discontinuous stringers and of bands less than 10 cm thick in a quartz or actinolite-quartz matrix. Bands tend to be folded and deformed but also can be regular and tabular. Quartz is milky and granular.

Magnetite is scarce and typically occurs in narrow millimetric veinlets associated with quartz-carbonate veining material. The crystals are sub- to euhedral and demonstrate the typical dull to sub-metallic luster. When associated to hematite-enriched mineralization, the magnetite occurs as blebs of porous grains, often granoblastic, that may

extend up to several centimetres. Enriched magnetite horizons are mostly found, but not always, in the upper portion of the iron formations in close contact with the amphibolite mass.

With the actual state of geological knowledge in the western sector of the Bloom Lake deposit, magnetite-rich IF is less important in volume than in the eastern half of the Bloom Lake pit area. The thickness of drillhole intercepts is lower than 10 vertical metres. Many drillholes did not return significant magnetite intersections. Very few actinolite or grunerite minerals associated with magnetite mineralization were described in the western holes.

A fairly abrupt change in facies takes place along strike east of a line passing northwest across Bloom Lake, east of where the grunerite-Ca-pyroxene-actinolite-magnetite-carbonate facies predominates.

The lower unit is less than 30 m thick in some places and is considerably thinner than the upper unit. The iron content ranges from 32% to 34% in this facies. In places, the silicate facies to the east contain more than 50% cummingtonite, which in part is magnesium rich, and the manganese content ranges from 0.1% to more than 2.0%. Mueller (1960) studied the complex assemblage of minerals in this rock and discussed chemical reactions during metamorphism in considerable detail. He has shown that a close approach to chemical equilibrium in the amphibolite metamorphic facies is indicated by the orderly distribution of Mg, Fe and Mn among coexisting actinolite, Ca-pyroxene and cummingtonite, and the restriction in the number and type of minerals in association with each other. Furthermore, a comparison between the composition of the silicates and the presence or absence of hematite shows that the Mg to Mg plus Fe ratio is increased, but is much less variable when hematite is present.

Re-modelling of the deposit in 2014 added two new domains in the ore classification (MAG – Magnetite Iron Formation and WSIF – Grunerite-rich Iron Formation) in addition to the existing HEM (Hematite Iron Formation) and SIF (Silicate Iron Formation).

The iron formation forms a long doubly plunging syncline that is canoe-shaped but buckled across the center to produce two distinct oval-shaped basins. Although this structure appears to be relatively simple in form, it seems to have been developed during two stages of deformation. Folding along northwest-trending axes and overthrusting of the upper iron formation during the first stage of deformation appear to have been followed by gabbro intrusion, folding along east-west axes, faulting, and metamorphism during the Grenville orogeny.

The Bloom Lake property mineralization style is a deposit typical of the Superior-Lake type.

The peaks in iron sedimentation took place between ~2.65 and 2.32 Ga and again from ~1.90 to 1.85 Ga. Their deposition is linked to the geochemical and environmental evolution of the planet such as the Great Oxidation Event (GOE) at ca. 2.4 Ga, the growth of continents, as well as the mantle plume activity and rapid crustal growth.

The Labrador Trough contains four main types of iron deposits:

- soft iron ores formed by supergene leaching and enrichment of the weakly metamorphosed cherty iron formation; they are composed mainly of friable fine grained secondary iron oxides (hematite, goethite, limonite);
- taconites, the fine-grained, weakly metamorphosed iron formations with above average magnetite content; they are commonly called magnetite iron formations;
- more intensely metamorphosed, coarser-grained iron formations, termed metataconites that contain specular hematite and subordinate amounts of magnetite as the dominant iron minerals; and
- minor occurrences of hard high-grade hematite ore occur southeast of Schefferville.

Secondary enrichment included the addition of secondary iron and manganese that appear to have moved in solution and filled pore spaces with limonite-goethite. Secondary manganese minerals, i.e., pyrolusite and manganite, form veinlets and vuggy pockets. The types of iron ores developed in the deposits are directly related to the original mineral facies. The predominant blue granular ore was formed from the oxide facies of the middle iron formation. The yellowish-brown ore, composed of limonite-goethite, formed from the carbonate-silicate facies, and the red painty hematite ore originated from mixed facies in the argillaceous slaty members.

All iron ore deposits in the Labrador Trough formed as chemical sediments on a continental margin that were lithified and variably affected by alteration and metamorphism that had important effects on grade, mineralogy and grain size. Faulting and folding led to repetition of sequences in many areas, increases the surface extent and mineable thicknesses of the iron ore deposits. Underlying rocks are mostly quartzite or mica schist. Transition from these rocks and the mineralized iron formation may happen up to over 10 m vertically. All rock sequences have been heavily metamorphosed by intense folding phases that are part of the Grenville Orogen.

IF sequences range commonly from 25% to 40% iron oxide, mainly hematite of the specularite type with minor amount of magnetite (remainder mostly quartz) and can have thicknesses (ignoring minor intercalated bands of schist and quartz rock) of up to 200 m. These are the sequences that are of economic importance.

For iron formation to be mined economically, the iron content must generally be greater than 30%, but also iron oxides must be amenable to concentration (beneficiation) and the concentrates produced must be low in manganese and deleterious elements such as silica, aluminum, phosphorus, sulphur and alkalis. For bulk mining, the silicate and carbonate lithofacies, as well as other rock types interbedded within the iron formation, must be sufficiently segregated from the magnetite. Iron formations repeated by folding are often required to produce sufficiently thick sections for mining in the Mont Wright / Wabush area.

Exploration

Regional exploration near Bloom Lake aims to define regional targets that currently have no Mineral Resources. Geological mapping, rock sampling and regional surveys have been conducted in the vicinity and close to Bloom Lake. The following table summarizes the regional exploration activities, excluding drilling:

Table 0-1: Regional exploration activities (excluding drilling)

Year	Area	Type
2016	Roach Hill	Outcrop & Landform determination survey
2016	Roach Hill	Outcrop sampling
2018	Lac Boulder (Roach Hill and North West of Sudbury)	Drone magnetic survey
2018	Bloom Lake East North	Airborne magnetic survey
2019	Bloom East	Inversion
2022	Roach Hill	Outcrop sampling

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Drilling

This section summarizes the drilling completed by the Company for the last year. 23 diamond drillholes were completed at Bloom Lake, totaling 4,758.8m. The holes are listed in Table 10-1-1.

Table 10-1-1: 2022-2023 Exploration drilling program (ore characterization)

Hole-ID	Depth	Azimuth (deg)	Dip (deg)	UTME	UTMN	Elevation
BL-22-01	180	320	-50	616495	5856433	704
BL-22-02	209.8	210	-50	616469	5856403	710
BL-22-03	90	315	-55	616532	5856360	709
BL-22-04	189	300	-50	616526	5856299	713
BL-22-05	333	300	-55	616477	5856203	729
BL-22-06	168	200	-50	617062	5854508	831
BL-22-07	150	180	-60	616708	5854401	820
BL-22-08	183	200	-60	616577	5854883	795
BL-22-09	162	170	-50	616301	5854517	775
BL-22-10	393	90	-80	616285	5855223	737
BL-22-11	304.6	170	-85	616216	5855343	736
BL-22-12	381	200	-55	616446	5855817	768
BL-22-13	141	50	-60	616737	5855505	733
BL-22-14	273	320	-45	616625	5855539	747
BL-22-15	249	130	-60	616644	5855721	743
BL-22-16	99	120	-60	616719	5855670	735
BL-22-17	405	145	-75	616361	5855656	752
BL-22-18	171	320	-47	616586	5856362	701
BL-22-19	107.4	-75	120	614447	5854095	795
BL-22-20	120	205	-55	614204	5854235	798
BL-22-21	141	205	-55	613938	5854418	778
BL-22-22	132	125	-55	615142	5854312	797
BL-22-23	177	175	-45	614987	5854281	797

The holes were collared on-site with a high precision portable GPS Trimble R8.

Drilling azimuth reference was provided through calculation of points of coordinates. The traditional use of a compass was not recommended due to the high level of magnetism developed by some horizons of the underlying iron formations.

Deviation and inclination tests were carried out in the holes. A Flexit or gyro instrument was used to measure both orientation and inclination of all the drillholes. This instrument provided useful magnetic susceptibility values.

Readings were taken every 50 m or at least 2 times in one hole. All the data obtained with the Flexit instrument were analyzed and all the inappropriate data were eliminated if deviation was too large and/or if the magnetic susceptibility was too high.

Drill cores are provided by the drilling contractor in NQ size (47.6 mm). The core is collected in a standard drilling tube and the drillers place the core into wooden core boxes. The driller marks the depth in meters after each run, usually every 4 m.

The drillhole is terminated by the Bloom Lake site geologist once the targeted depth is reached and the core at the drill site is reviewed with respect to target lithologies, alteration and mineralization.

Once the drillhole is terminated and the final downhole survey reading collected, the drill crew pulls the rods for mobilization to the next drill site. Casings can be left in the hole but are usually removed.

All the drillhole collars were surveyed in-house by the mine site surveying team. Surveyors used a Trimble R8 instrument to survey the drillhole collars. Survey measurements were precise to three decimals, but for unexplained reasons, some of the recent hole coordinates were rounded to the nearest integer before importing the database.

The inclination and direction of the drill collars were measured using a clinometer and then the direction was verified against Flexit readings for most holes.

At the drill rig, all the used core boxes were carefully closed with tape and were transported by either snowmobile or ATV to a pick-up truck that brought them to the core shack at the end of each shift. No core boxes were left outside the core shack.

The core shack was established inside an industrial dome on site used for various purposes. In the core shack area, a number of inclined tables were installed for core logging with several core racks for boxes storage. An area was also organized for sampling.

All the boxes were labelled, photographed in lots of five and most of them were photographed in detail, three to four pictures being taken for each box. The core boxes were systematically measured to validate the marks of the drillers. Measuring was also done to calculate the rock quality designation (RQD) and the core recovery.

The core was logged using standard methods. Rock types were identified, and intervals were measured according to the marks done by the drillers. Geological logging took into account the general colour of the rock, the relative percentage of constituents, the grain size distribution, the alteration, the contact with other rocks, the texture and the variation of these elements, when significant. A particular attention was given to the orientation of foliations relative to the core axis. Geotechnical features in the core, such as RQD were noted.

The mineralized units to be sampled were marked with a grease pencil at 3 m to 6 m intervals, depending on the mineral content.

From 2019 to 2022, diamond drilling was carried out mainly for conversion purposes. One campaign targeted mineralization at depth of Bloom West below current resource pit optimization to assess continuity of mineralized iron formation. The others targeted the eastern part of Chief's Peak mainly to confirm mineralization. The table below summarizes drilling campaigns since the Phase II Feasibility Study.

Year	Area	Number of Holes	Meters
2019	Bloom Lake	35	4,305
2020	Chief's Peak and Pignac	50	8,309
2021	Chief's Peak	12	1,426
2022	Chief's Peak and Bloom West	12	2,444
Total		109	16,484

Cores were stored at the mine site.

Sampling, Analysis, and Data Verification

In general, only mineralized intervals are sampled. The iron content of samples must be equal to or greater than 15%. This estimate is done visually by the person core logging.

The two factors that are taken into consideration are the grade cut-off for samples and the length of the samples. Samples are taken before, through and after the potentially mineralized zone.

To create representative and homogenous samples, sampling honors lithological contacts. The protocol states that the minimum sample interval in the hole will not be less than 1.0 m. The maximum sample interval will not exceed 6.0 m. No sample will cross a major rock boundary, alteration boundary or mineralization boundary.

Sampling intervals are determined by the geologist during logging and marked on the core boxes or on the core itself using colored lumber pencils with a line drawn at right angles to the core axis.

The sample sequence includes duplicate and blank material that are inserted into the sample stream using sample numbers that are in sequence with the core samples. Standard Reference Materials (SRMs) were also added in 2020 exploration program sampling sequence.

The sample length for most intervals collected varies from 3.0 m to 6.0 m.

A geotechnician trained in core cutting procedures executes the core cutting at the core shack. The logging geologist has already clearly marked out all pertinent cores for cutting and sampling. The geologist staples a paper sample tag containing a sample number corresponding to the required sample interval at the start of the sample interval. The logging geologist also staples a metal tag containing the sample number onto the box. This is a permanent sample reference that will remain on the wooden core tray. The geotechnician removes the paper sample tag and places it inside the plastic bag.

The core is divided in half using a hydraulic splitter. One half is retained and kept in the core box for later reference and the other half is put into a plastic sample bag. A sample assay tag is placed in the plastic sample bag and the bag is tied off.

For quality assurance purposes, “DUPLICATE” core samples are generated by sending the second half of the core sample to the lab. The sample bags are prepared in the same manner as the original sample and immediately follow the original core sample with the corresponding sample number.

For the 2020 and 2021 campaign, core samples were shipped to the COREM and SGS Laboratories in Québec City, Québec, for analysis in 2020. Both COREM and SGS are accredited laboratories.

Quality control for the routine sample analysis included COREM’s own quality control procedures, involving internal and external checks.

At COREM, the samples were crushed to reduce each sample to 3.35 mm (6 mesh).

A whole rock analysis was done on each sample to measure the following parameters (in %): Fe_{Total} , SiO_2 , Al_2O_3 , Fe_2O_3 , MgO , CaO , Na_2O , K_2O , TiO_2 , MnO , P_2O_5 , Cr_2O_3 , V_2O_5 , ZnO , S, C and loss on ignition (LOI). The LOI at 400°C and 1,000°C is determined during the procedure. Additional analyses included determination of magnetic iron with a Satmagan magnetic analyzer.

At the Bloom Lake site, sample bags are stored in a core shack until they are removed to be delivered to TST Overland Express in Wabush, using pick-up trucks. Once delivered to TST Overland Express in Wabush, the bags are put on pallets and sealed with plastic wrap-ups.

Since 2020, Quality control samples are inserted into the sample batches sent to the laboratory, including blank, duplicate and standard.

Duplicate samples are submitted to assess both assay precision (repeatability) and the homogeneity of mineralization. QIO utilizes core duplicates with one half of the core being used for the primary analysis and the other half for the subsequent duplicate analysis, leaving no core in the core box for record keeping.

Results were received by email in Excel files by representatives of QIO.

Since 2020, results are imported to a Fusion database.

Mineral Processing and Metallurgical Testing

The Bloom Lake deposit has been extensively tested since the mid-1970's by previous owners and has showed good potential for gravity recovery of the iron bearing minerals.

The proposed Phase II flowsheet was developed to improve overall iron recovery compared to the already well-performing Phase 1 flowsheet commissioned in February 2018. The Phase II concentrator has a robust design allowing for greater operational flexibility and thus aids in avoiding potential tonnage constraints.

The Phase II flowsheet development was mostly based on the results from a process audit of the operating Phase 1 concentrator and results from the test program performed at COREM under the supervision of Soutex. The test program was divided in two main stages:

1. Optimization tests were conducted for each stage to either confirm an equipment performance or test a new equipment performance. In the case where a significant quantity of material was required for a downstream equipment, a production run was also used to generate an adequate sample mass.
2. Variability tests run were performed on the developed flowsheet using five different ore blends composed from eight different ore types collected across Bloom Lake three main pits. Goal of the variability tests run was to confirm flowsheet robustness when processing different ore types and feed grades.

The proposed flowsheet is presented in Figure 1-2:

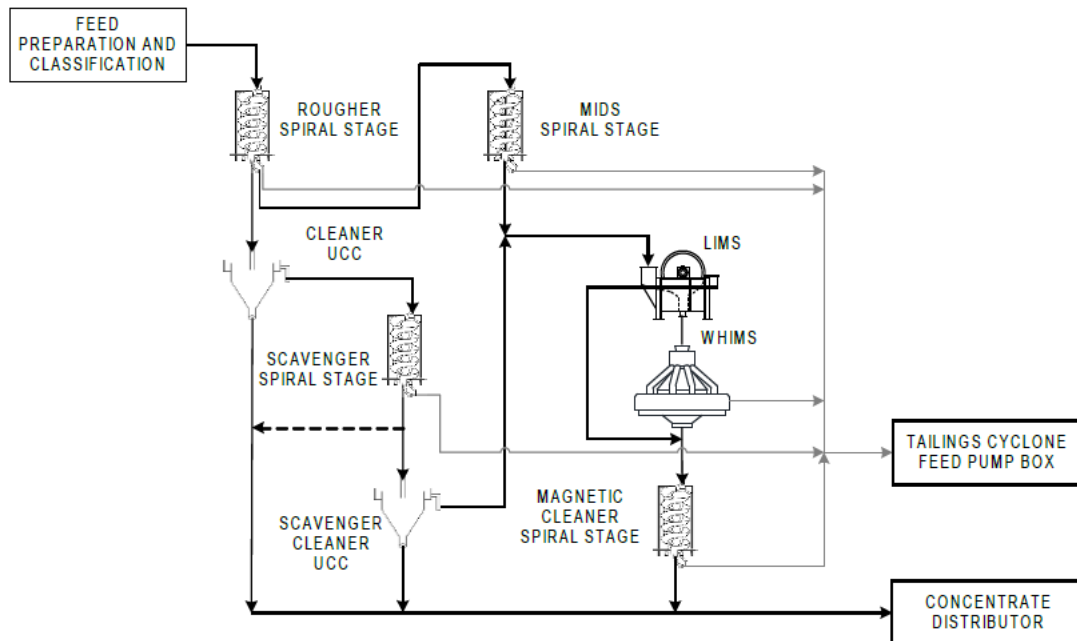


Figure 1-2 – Phase II (QIO) flow diagram

The flowsheet developed includes the following modifications over the Phase 1 (QIO) flowsheet:

- redirection of the mid spiral stage concentrate to the magnetic separation circuit to prevent coarse silica being sent to the cleaner up-current classifiers (UCC);
- addition of a scavenger cleaner UCC stage to increase recovery at the scavenger spiral stage and increase robustness to feed variations.

With the information obtained from the testwork program, the variability testwork results in particular, and the operational experience of the Phase 1 (QIO) concentrator, the following recovery equation was determined:

$$\%Fe_{Rec.} = -0.03593Fe^2 + 3.1900Fe - 0.59683MgO - 0.00495MgO^2 + 0.01424FeMgO + 20.678$$

This equation takes into account the magnesium, measured as MgO, feed grade and assumes it represents actinolite, which contains iron that is not recoverable. The model is applied over the LOM annual average iron feed grade range of 27% to 31% and MgO feed grades up to 3.5%. Figure 1-3 shows the recovery model developed for Phase II (QIO):

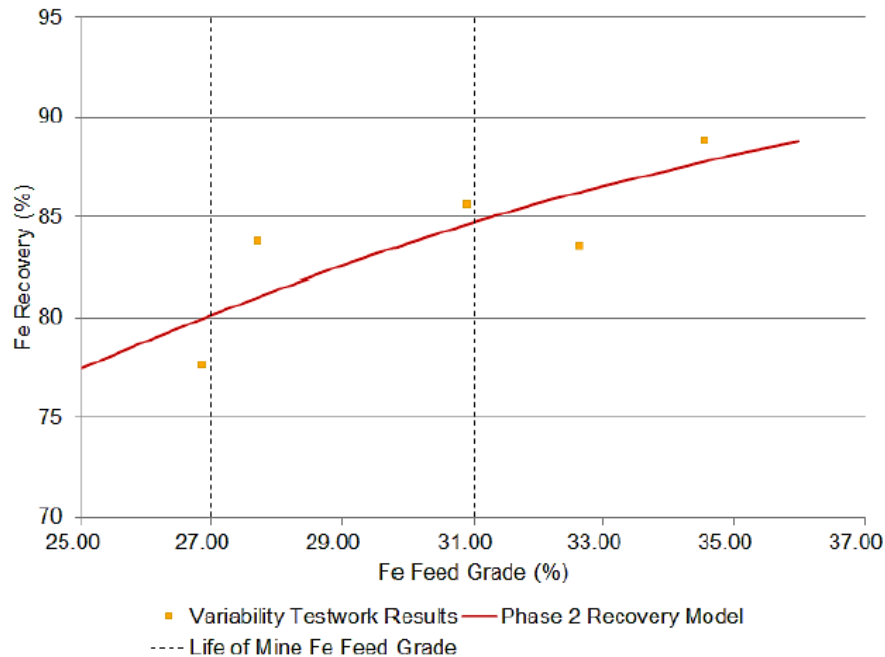


Figure 1-3 – Iron recovery vs. iron feed grade

Mineral Resource and Mineral Reserve Estimates

The Bloom Lake reserves and resources were only subject to depletion adjustments due to iron ore mined as of March 31, 2023.

A total of 14,039 m was added to the database and used to update geological units and the block model. Mineral Resource update estimate was prepared by the Company staff under the supervision of Vincent Blanchet, P.Eng who is a member of the *Ordre des ingénieurs du Québec*.

For this update, the QP reviewed parameters including geological model and domain strategy, statistical study of assays and composites, variography analysis, interpolation and search ellipse settings, estimation process and classification of the resource.

In the latest version, Seequent's Leapfrog software was used for the geological modelling and to generate the drillhole intercepts for each solid, compositing, 3D blocks modelling and interpolation.

The methodology for the audit involved the following steps:

- database verification;
- review of the 3D modelling of the geological and structural models;
- review of the drillhole composite generating process for each mineralized unit;
- basic statistics;
- high grade value study;
- geostatistical analysis including variography;
- review of the block model construction;
- review of the grade interpolation (including all profiles, scripts and macros);
- block model validation;
- review of the resource classification;
- cut-off grade calculation and pit shell optimization; and
- review of the mineral resource statement.

The geological model of the deposit is composed of geological domains, including four (4) mineralized and three (3) major unmineralized units. There are three (3) geochemical sub-domains of the main mineralized domain. Geological domain boundaries correspond to sharp contacts between the iron formation and host rocks. The Mineral Resource was estimated inside the mineralization domains using interpolation parameters defined for each mineralized domain and sub-domain. The Mineral Resource estimation is strongly based on the geological model of the deposit.

For mineralized units, density values were calculated based on the formula established and used during the operational period:

$$SG = 0.0284 * Fe + 2.5764$$

3D directional variography was carried out on the composites. Variograms were modelled in the three orthogonal directions to define a 3D ellipsoid for each domain. Ranges and orientations of the search ellipsoids are representative of the anisotropy ratios and directions as determined from the variography analysis.

Block dimensions are 10x10x14m to match the bench height of 14m. The interpolation was done strictly within the mineralization wireframes, using various search ellipsoid orientations established according to the structural and geochemical sub-domains defined in the deposit. Grades relevant for the R&R update are:

- Fe, CaO, MgO, Satmagan (Ordinary Kriging)
- Al₂O₃ (ID3)

Most variables are estimated with two passes using variable orientation generally with the following data specification:

- Pass 1: using 7 to 15 composites with a maximum of 3 composites per drillhole within a search of 250 m by 200 m by 50 m.

- Pass 2: using 4 to 15 composites with a maximum of 3 composites per drillhole within a search of 500 m by 400 m by 100 m.

Mineral Resources were classified considering mineralization and grade continuity, and average distance to informing data. Final resource categories can be generalized as:

- Measured: Blocks estimated within areas informed by an average drillhole spacing of 50m.
- Indicated: Blocks estimated within areas informed by an average drillhole spacing of 80m.

The updated Bloom Lake Mineral Resources as of March 31, 2023, are estimated at a cut-off grade of 15% Fe, inside an optimized Whittle open pit shell based on a long-term iron price of USD61.50/dmt for 62% Fe content, a premium of USD12.70/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 CAD/USD.

While the optimisation shells used for the March 31, 2023, resource statement were re-run based on the same economic assumptions as the Phase II feasibility study, the geological model has been updated. From these new shells, it was concluded that the changes in volume were not material to reserves and that a redesign of the reserve pits was not required. Therefore, the Mineral Reserves stated as of March 31, 2023, are based on an updated geological model, dilution and topography, but within the same designs as the Phase II Feasibility Study.

The following table presents the Mineral Resources for Bloom Lake estimated at a cut-off grade of 15% Fe, inside an optimized open pit shell based on a long-term iron price of US\$61.50/dmt for 62% Fe content, a premium of US\$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C\$/US\$. The Measured and Indicated Mineral Resources are estimated at 814 Mt with an average grade of 29.0% Fe, and an Inferred Mineral Resources are estimated at 128 Mt with an average grade of 27.2% Fe. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mineral Resource Estimate for Bloom Lake as of March 31, 2023

Classification	Tonnage (dry)	Fe	CaO	MgO	Al ₂ O ₃
	Mt	%	%	%	%
Measured	197	30.4	1.2	1.2	0.3
Indicated	618	28.6	2.1	1.9	0.5
Total Measured and Indicated	814	29.0	1.9	1.7	0.4
Inferred	128	27.2	1.3	1.2	0.5

Notes on Mineral Resources:

1. The Mineral Resource Estimate ("MRE") was prepared by or under the supervision of Vincent Blanchet, P.Eng. Mr. Blanchet is a Qualified Person. The MRE is based on the March 31, 2023, surveyed topographic surface. CIM definitions and guidelines for Mineral Resource Estimates have been followed.
2. These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The MRE presented herein is categorized as Measured, Indicated, and Inferred Mineral Resources. The quantity and grade of reported Inferred Mineral Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as Indicated or Measured.
3. Resources are presented as undiluted and in situ for an open-pit scenario and are considered to have reasonable prospects for economic extraction. The constraining pit shell was developed using pit slopes varying from 42 to 46 degrees.
4. Grade model resource estimation was calculated from drill hole data using an Ordinary Kriging interpolation method in a block model using blocks measuring 10 m x 10 m x 14 m (vertical) in size.
5. The MRE was estimated using a cut-off grade of 15% Fe, inside an optimized open pit shell based on a long-term iron price of US\$61.50/dmt for 62% Fe content, a premium of US\$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C\$/US\$.
6. Numbers may not add due to rounding.
7. The author is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported in the Phase II Feasibility Study, that could materially affect the Mineral Resource estimate.
8. Mineral Reserves stated below are included in the Mineral Resources.

The mine design and Mineral Reserve estimate have been completed to a level appropriate for Feasibility Studies. The Mineral Reserve estimate is consistent with the CIM definitions and is suitable for public reporting. As such, the mineral reserves are based on Measured and Indicated Mineral Resources, and do not include any Inferred Mineral Resources. The Inferred Mineral Resources contained within the mine design are classified as waste.

The mining dilution estimate for Mineral Reserve reporting consists of a dilution skin of 2m across and along strike. The dilution model accounts for the geometry of the model and the number of contacts between ore and waste material. The dilution represents 1.5% of the total ore tonnage at a grade of 0% Fe. A mining recovery of 97.6% was used for the study based on historical mine to mill reconciliations.

The reserve open pit optimization was conducted in 2019 to determine the optimal economic shape of the open pit to guide the pit design process. This task was undertaken using the MineSight Economic Planner (MSEP) software that is based on the Lerchs-Grossmann algorithm. The method works on a block model of the ore body, and progressively constructs lists of related blocks that should, or should not, be mined. The method uses the values of the blocks to define a pit outline that has the highest possible total economic value, subject to the required pit slopes defined as structure arcs in the software. This section describes all the parameters used to calculate block values in MSEP.

The Proven and Probable Mineral Reserves are estimated at 713 Mt at an average grade of 28.7% Fe based on a cut-off grade of 15% Fe. The Mineral Reserves were estimated using a long-term concentrate price of US\$61.50/dmt for 62% Fe content, a premium of US\$12.7/dmt for the 66.2% Fe concentrate and an exchange rate of 1.24 C\$/US\$. The Mineral Reserve includes a mining dilution and ore loss calculated on a block-by-block basis based on the neighbouring blocks lithology and grade. The average strip ratio of the remaining material in the open pit is 1.01.

Mineral Reserve Estimate for Bloom Lake as of March 31, 2023

Classification	Diluted Ore Tonnage (dry)	Fe	CaO	MgO	Al ₂ O ₃
	Mt	%	%	%	%
Proven	191	30.0	1.2	1.2	0.3
Probable	522	28.2	2.3	2.1	0.5
Total Proven and Probable	713	28.7	2.0	1.8	0.4

Notes on Mineral Reserves:

1. The Mineral Reserves were prepared by or under the supervision of Brandon Wilson, P.Eng. Mr. Wilson is a Qualified Person. The Reserves are based on the March 31, 2023, surveyed topographic surface. CIM definitions and guidelines for Mineral Reserves Estimates have been followed.
2. Stockpiles are included in the proven category and are estimated at 1.1 Mt.
3. The Mineral Reserve was estimated using the March 31, 2023, surveyed topographic surface.
4. The mining dilution estimate for Mineral Reserve reporting consists of a dilution skin of 2m across and along strike. The dilution model accounts for the geometry of the model and the number of contacts between ore and waste material. The dilution represents 1.5% of the total ore tonnage at a grade of 0% Fe. A mining recovery of 97.6% was used for the study based on historical mine to mill reconciliations.
5. Mineral Reserves are estimated at a cut-off grade of 15% Fe.
6. Mineral Reserves are estimated using a long-term iron price reference price (P62) of US\$61.50/dmt and an exchange rate of 1.24 C\$/US\$. The revenue factor of the selected shell was 0.99, which would correspond to P62 at US\$60.89\$/dmt. A price adjustment of US\$12.70/dmt was added for the 66.2% Fe concentrate grade.
7. The author is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported in the Phase II Feasibility Study, that could materially affect the Mineral Reserve estimate.
8. Numbers may not add due to rounding.

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For the Phase II Feasibility Study, Measured and Indicated Mineral Resource blocks were considered for optimization purposes. The pit optimization parameters are stated in Table 1-4:

Table 1-4: Optimization parameters

Parameter	Base value	Unit
MINING COSTS		
Mining Cost	2.50	CAD/t mined
Incremental Bench Cost	0.039	CAD/t /14 m
PROCESSING & G&A COSTS		
G&A Cost	2.76	CAD/t milled
Concentrator Cost	3.70	CAD/t milled
Total Operating Cost	6.46	CAD/t milled
NET VALUE & PAYMENT		
CFR 62% Iron	61.50	USD/t (base selling price at revenue factor 1)
Concentrate Premium	12.70	USD/t/%
CFR 66.2% Iron	74.20	USD/t
Exchange Rate	1.24	CAD/USD
CFR 66.2% Iron	92.01	CAD/t
Shipping and Logistics	18.88	CAD/t
Selling Costs	26.04	CAD/t
Iron Price FOB Bloom Lake	47.09	CAD/t
Iron Recovery	varies	%
Weight Recovery	varies	%
Discount Rate	8.0	%
Concentrate Production Rate	15.00	Mtpy

A pit slope design study was carried out by Golder Associates Inc. following a request from the previous owner of the project. The conclusions of this study have been used as an input to the pit optimization.

Mining Operations

The operation consists of a conventional surface mining method using an owner mining approach with electric hydraulic shovels, wheel loaders and mine trucks. The study presented in the Phase II Feasibility Study consists of resizing the open pit based on parameters outlined therein and producing a 20-year LOM plan to feed two plants at a nominal rate of 41.9 Mtpy.

Drill and blast specifications are established to effectively single pass drill and blast a 14 m bench. For this bench height, a 311 mm blast holes size is proposed with a 6.25 m burden by 7.25 m spacing with 1.5 m of sub-drill in ore. The blast pattern in waste material varies slightly with the various rock types. These drill parameters, combined with a high energy bulk emulsion with a density of 1.2 kg/m³, result in a powder factor of 0.40 kg/t. Blast holes are initiated with electronic detonators and primed with 450 g boosters. The bulk emulsion product is a gas-sensitized pumped emulsion blend specifically designed for use in wet blasting applications.

Loading in the pit will be done by up to four electric drive hydraulic face shovels equipped with a 28 m³ bucket. The shovels are matched with a fleet of 218 t payload capacity mine trucks. The project already owns three Caterpillar 6060 electric drive hydraulic front shovels. The hydraulic shovels will be complemented by up to four production front-end wheel loader (FEL) with a 12 m³ bucket. Two Komatsu WA1200-6 units are available on site as well as one LeTourneau L1850 unit.

Haulage will be performed with 218-tonne class mine trucks. The existing truck fleets consist of seven Caterpillar 793D and three Caterpillar 793F mechanical drive trucks. The initial fleet required will be 13 trucks growing to 32 trucks in Year 6.

Mining of the Bloom Lake project is planned in six phases with a starter phase and two pushbacks in both the West and Chief's Peak pits. Waste rock will be disposed of in four distinct waste dumps, the original northern location used by the previous owner and three new locations to the south. In-pit dumping has not been planned for the project to avoid the possibility of future re-handling. The open pit generates 707 Mt of overburden and waste rock for a strip ratio of 0.88:1.

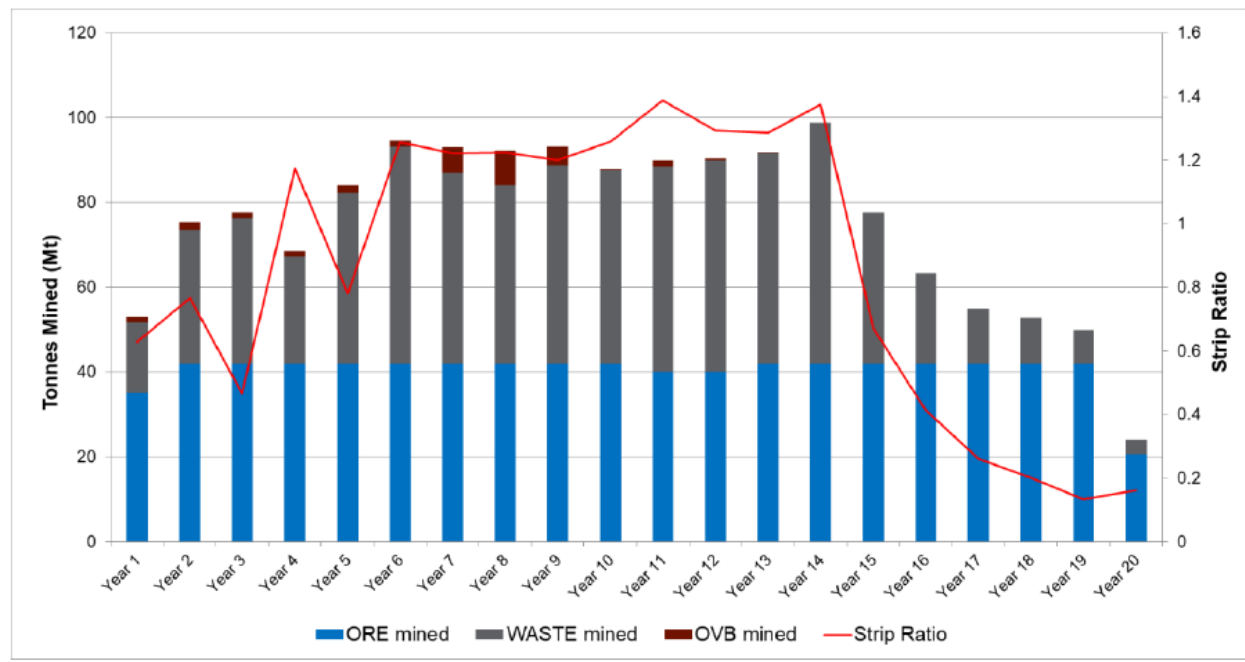


Figure 1-1 – Mine Production

Processing and Recovery Operations

The Bloom Lake Phase II is designed to process ore at a nominal rate of 2,650 tph. With the new LOM design, the projected production is 7.75 Mtpy of concentrate at a 29.0% Fe feed grade and concentrate grade of 66.2% Fe. The Phase 1 and Phase II combined expected weight recovery is 36.0% and iron recovery is 82.4%. The simplified process flow diagram (PFD) for the new Phase II is presented in Figure 1-4.

Ore from the mine is delivered to Crusher 1 and Crusher 2. Crushed ore from Crusher 2 falls on a surge conveyor, which transports it to the crushed ore buffer stockpile and is then transferred on the overland crushed ore conveyor. Crushed ore from Crusher 1 is fed to a surge bin where it is reclaimed via a conveyor system and transported to the common crushed ore stockpile area.

Crushed ore from the stockpile is fed to an AG mill by the means of the mill feed conveyor. The Phase II project will upgrade the original two 7,500 hp (5,593 kW) motors to 8,400 hp (6264 kW) each. The additional available power will make it possible to increase tonnage when the power draw is high and no other constraint is active. The

In the gravity circuit, the combination of spirals at the rougher stage and UCC at the cleaner stage enables the removal of silica of all sizes. The roughers will maximize iron recovery while preventing coarse silica from reaching

the cleaner stage. The cleaner stage will remove fine and mid-sized silica to achieve a final concentrate silica grade lower than the 4.5% target. The midsize spirals will recover misplaced iron from the rougher stage middlings while removing mid-size to coarse silica. Sending the midsize concentrate to the magnetic separation circuit stage prevents the reintroduction of coarse silica in the cleaner UCC stage.

The tails coming from the rougher is a high flow, but low percent solids stream from which water can be recovered through dewatering cyclones and reused in the process. The rougher spirals tails dewatering cyclone overflow is pumped in the required quantity to the mill feed chute and the scalping screen pump boxes for density control.

A combination of spirals and UCC is also used at the scavenger and scavenger cleaner stages. The scavenger is operated to maximize iron recovery while removing mid-sized silica. The scavenger cleaner stage is operated to remove fine silica. To maximize iron recovery when the scavenger spiral grade meets specifications, the scavenger-cleaner UCC stage can be bypassed.

A combination of LIMS, WHIMS and spirals is used to scavenge iron from the scavenger cleaner UCC overflow and midsize spirals concentrate. The LIMS recovers magnetite and the remaining hematite enters the WHIMS stage to ensure the efficient operation and availability of the WHIMS. The WHIMS magnetic intensity is adjusted to maximize hematite recovery from paramagnetic minerals. The LIMS and WHIMS magnetic concentrates are fed to the mag cleaner spiral stage where the settings are adjusted to achieve the final concentrate target grade of 4.5% SiO₂.

The concentrate is collected into the concentrate collector launders. From there, it goes into a 4-way pan filter feed distributor that splits the feed into 4 horizontal pan filters. The addition of a common 4-way feed distributor results in equal distribution of the concentrate to the operating filters. The concentrate pan filter area is 1.7 times that of the Phase 1 filters, meaning that only three filters are required in operation and stopping a pan filter for maintenance will not imply tonnage reduction.

Phase II concentrate is transferred to the Phase II transfer tower. From there, it can go to Phase 1 silo, Phase II silo or the Phase II emergency stockpile. When train loading begins, the concentrate is transferred to the Phase 1 hopper and tilt chute for loading into railcars. Calcium chloride is added in the winter months to prevent the concentrate from sticking onto the railcar walls.

The tailings cyclone cluster feed pump boxes receive tails from the various separation stages and feed the tailings thickening cyclone clusters that produce a dense and coarse underflow reporting to the coarse tailings collection box and a fine and dilute overflow that reports to the tailings thickener.

The tailings thickener underflow is pumped to the fine tailings tank where it is mixed with Phase 1 fine tailings. The material is pumped through the booster station to the fine tailings storage facility (TSF). The tailings thickener has a surface of 2.1 times larger than that of the Phase 1 thickener. The increased thickener surface area allows the rise rate to be greatly reduced, which increases stability and control of the overflow water quality. The thickener overflow is gravity fed into the process water tank to be reused throughout the concentrator.

The tailings cyclone cluster underflow (coarse tailings) is gravity fed to a pump box. From there, the tailings stream is pumped via a series of coarse tailings pumps to booster stations as it is transported to the coarse TSF.

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Infrastructure, Permitting and Compliance Activities

The entire mine infrastructure used for the current mining operations will be upgraded to the new mine plan requirements. Most of the required infrastructure is already constructed with a few new additions/modifications that will be required. The facilities breakdown is detailed in Table 1-5:

Table 1-5: Mine infrastructure

Infrastructure	Condition (existing or new/modified)
Mine maintenance garage (Phase I)	Existing
Mine maintenance garage (Phase II) 2023	New
Garage SMS Secondary truck maintenance	New
Truck wash bay	Existing
Fuel storage and distribution system	Existing
Mine electrical infrastructure	New
A cafeteria at the West Pit (to minimize lost time for truck drivers' breaks)	Existing
Spare parts containers located around the site to store drilling equipment, surveyor equipment and environmental equipment	Existing
Mobile shovel bucket repair shop	Existing
Dispatch system, complete with trailers, offices and a cafeteria	Existing
Aggregates crusher plant (contractor)	Existing

Infrastructure Located at the Processing Plants

The vast majority of the required infrastructure for Phase II is available and currently used for QIO operations. The process plant building required for Phase II has already been constructed and certain equipment has already been installed. The structure is complete and the building walls have been closed. Non-process buildings include:

- a service building attached to the Phase I process plant which houses:
 - maintenance shops;
 - unloading and warehousing completely stocked with parts and supplies;
 - electrical/instrument repair shop;
 - boiler plant to provide steam to both plants for heating and filter cake drying. The boiler plant also hosts the boiler water treatment system;
 - offices for administration, purchasing, human resources, technical services (engineering and geology), training and plant operating personnel;
 - laboratory equipped for metallurgical testwork, wet and dry assaying;
 - lunchroom, men and women change rooms, sanitary and locker facilities;
 - communications room;
 - compressor room to provide service air and instrument air to both concentrators;
 - fresh water storage tank and water treatment facilities for both plants;
 - electrical room; and
- eight various utility domes used as warehouses or shops for contractors.

Rail Infrastructure

The rail network consists of three separate segments to transport iron ore concentrate from the mine site to the port:

- first segment of rail referred to as the Bloom Lake Railway consists of a 32-km long segment that connects the mine site to the QNS&L railway at the Wabush Mines facilities in Wabush, Labrador;
- second segment uses the QNS&L railway from Wabush to Arnaud junction in Sept-Îles, which has a mainline track of approximately 395 km; and
- third segment is from Arnaud junction to Pointe-Noire (Sept-Îles), which is the property of SFPPN.

The current fleet is composed of 735 insulated ore cars dedicated to move Bloom Lake concentrate. As part of the expansion, QIO will require an extra 450 railcars for a total of four long trains (240 railcars) and one short train (168 railcars). A 5% spare fleet allowance is considered to provide reliable operations. Rail additions will be required along the Bloom Lake Railway, at Arnaud Junction and at the Pointe-Noire terminal. One of the major changes to be performed is related to the dumper track at the Pointe-Noire terminal in order to unload the 240-car train by cuts of 82 cars instead of 55 cars as is performed for current operations. This modification reduces the unloading cycle time and maximizes the car dumper capacity.

Port Infrastructure

The concentrate is unloaded from railcars at Pointe Noire, which is owned by SFPPN and controlled by the Government of Québec, and can be either loaded directly onto a vessel or stockpiled to be reclaimed and loaded at a later date. As part of the expansion project, the infrastructure must be upgraded to accommodate an average yearly throughput of 15 Mt of concentrate. To allow efficient and reliable operations, modifications will be performed to increase the stockpiling capacity, reduce the railcars unloading cycle and increase the stacking and reclaiming performance.

The infrastructure modifications required for Phase II operations are as follows:

- dismantling of the existing rail segment located after the rail dumper;
- excavation, blasting and back-fill to support the new rail segment that will be installed after the rail dumper;
- move the existing access road for Port de Sept-Îles and Aluminerie Alouette;
- construction of a new site service road;
- relocation of the aqueduct network;
- relocation of the 25 kV electrical line;
- relocation of the Telus telecommunications infrastructure;
- construction of new culverts;
- addition of a new stacker-reclaimer;
- extension of conveyors CV-2 & CV-3 by 300 m; and
- addition of 600 hp motors on conveyors CV-2 & CV-3.

Tailings and Surface Water Management

The tailings management strategy is developed around tailings slurry pumping and hydraulic placement of an annual average of 26.8 Mt of tailings that are separated in two feeds: coarse (85%) and fine (15%). This separation optimizes the footprint, utilizes the existing infrastructure and reduces the overall environmental risks by

maximizing each material given their distinct properties and behaviours. Slurry pumping and hydraulic deposition is a safe and economic way to transport and store large quantities of tailings.

The tailings management strategy for the expansion project is compatible with the current management strategy. Fine tailings are stored year-round in Basin A, which is contained by centreline or downstream construction dikes. Coarse tailings are stored in the current *HPA-Sud* and *HPA-Ouest* storage areas as well as the new *HPA-Nord* storage area. The coarse tailings are contained by upstream 10H:1V sloped filtering dikes built solely on stable coarse draining tailings. Most construction work in the fine tailings basin is expected to be executed by contractors, while the coarse tailings management facility (TMF) will be mostly built by the QIO personnel and equipment.

The surface water management system is composed of a network of ditches, collection basins, pumping stations and retention ponds. Since Bloom Lake restart, some upgrades on the current conveying surface water management system have been done to increase robustness and reliability. These improvements are applied in the design of the water management systems around the new permitted areas *HPA-Nord* TSF and *Halde-Sud* waste dump. These new permitted areas will also include water retention basins sized to hold water volumes according to applicable legislation. Therefore, they do not impact the current water management system during the spring thaw period. Water from these basins can then be pumped to the existing system in a controlled manner during the remainder of the year. These water basins are dammed by centreline construction dikes that will be built to the highest safety design and construction standards. Finally, the current water treatment plant located next to the TSF will be winterized and upgraded to accommodate increases in the required treatment capacity due to the new permitted areas. This upgrade will be necessary when the future *HPA-Nord* TSF and *Halde-Sud* waste dump are constructed.

Environment and Permitting

The Bloom Lake mine has been authorized for operation under the federal environmental authorities (including the Department of Fisheries and Oceans Canada, Transport Canada, Natural Resources Canada and Environment Canada) and provincial governments.

No other federal authorizations are required to operate the second concentrator. Therefore, Bloom Lake can increase the annual ore production to 16 Mtpy. Fish habitats (lakes, ponds, and streams) are present within *HPA-Nord* TSF and the *Halde-Sud* waste stockpile locations. Under Section 36(3) of the *Fisheries Act*, it is forbidden to deposit deleterious substances such as tailings and waste rock in water frequented by fish. However, the *Metal and Diamond Mine Effluent Regulation* (SOR/2002-222) (the “MDMER”) includes provisions (regulatory amendment) allowing the use of a natural water body frequented by fish for mine waste disposal. The assessment of alternative reports is currently reviewed by Environment and Climate Change Canada. Upon acceptance, the process of amendment of Schedule 2 of the MDMER will be initiated. According to the project development schedule, disposal of tailings in *HPA-Nord* and waste rock in *Halde-Sud* stockpile will not be required before 2026, thus allowing sufficient time than required for QIO to complete the federal permitting process.

Overall, a total of 38 certificates of authorization have been issued by the provincial government to the Bloom Lake iron mine in the past. Infrastructure such as the pit, waste rock piles, tailings management facilities and water management structure, as well as the treatment plant, have all been authorized. A few of these authorizations will require modifications to consider the new mine plan including the new waste rock dumps.

At the provincial level, Bloom Lake has also received operational permits for the mine, the dust collection systems, the railroad and the wastewater treatment systems. With the infrastructure facilities authorized, the expansion project can go forward without delays. The storage capacity for waste rocks and tailings is secured by permits up to 2024 at a production rate of 16 Mtpy. Consultations and presentations to the First Nations and the local community have been conducted since December 2018 to consider their concerns throughout the development of the expansion project. Various committees are ongoing to ensure a follow-up on the IBA (First Nations) or the mine activities (community stakeholders). QIO maintains positive relationships with the community and has become a reference for First Nations involvement in terms of training, employment and environment.

The same mining effluent will be maintained with the expansion, and the requirements (*Directive 019 sur l'industrie minière* and the MDMER) in terms of monitoring will remain unchanged. Other monitoring programs are ongoing on the site with regard to groundwater and air quality.

A revised closure plan was submitted to the Québec Ministry of Energy and Natural Resources in 2018 which covered five years of mining operations. According to Section 232.6 of the *Mining Act* (Québec) (L.R.Q., c. M 13.1), QIO shall submit a revised closure plan to the Minister for approval every 5 years or whenever amendments to the plan are justified by changes in the mining activities. QIO must also provide a financial guarantee covering the closure plan cost to the provincial government in accordance with Section 111 of the *Regulation Respecting Mineral Substances other than Petroleum, Natural Gas and Brine* (Chapter M-13.1, r. 2).

Capital and Operating Costs

Capital Costs

The capital cost estimate was based on the detailed engineering material take-offs, bids received from vendors and contractors from the previous study phase, and some data from historical projects. The initial capital cost estimate does not include taxes, replacement capital or additional working capital requirements after commissioning and start-up. The cost estimate, presented herein, is calculated and presented in Canadian dollars and is dated Q2 2019. The conversion rates used to transfer foreign currencies to CAD are shown in Table 1-7:

Table 1-7: Currency conversion rates

Country	Currency	Equivalent
United States	1.00 USD	1.32 CAD

The summary table for the capital cost estimate (CAPEX) is found in Table 1-8:

Table 1-8: Estimated pre-production capital costs

Category	Pre-production, M\$
General	\$28.2
Mine – Phase II	\$37.6
Crusher and stockpile	\$24.3
Concentrator	\$165.0
Tailings and water management	\$50.2
Services	\$30.5
Rail and Port	\$73.4
Owner's Costs (all-inclusive indirect costs)	\$105.1
Contingency	\$75.5
Total	\$589.8M
Deposits	\$44.0
Total including deposits	\$633.8M

Operating Costs

Mining operating costs were generally developed from first principles, internal benchmarking information for similar projects and vendor quotes. For the concentrator, G&A and tailings operating costs, a portion of the unit rates and consumptions were based on actual operation costs and consumptions as per QIO's experience with

Phase 1 actual operational costs. Other costs and consumptions required were derived by QIO, and WSP for the tailings management, have been compiled from a variety of sources and are mainly based on historical data, operating budgets and vendor quotes. Costs for concentrate transportation were established by QIO based on agreements with the rail transport providers.

A summary of the average operating cost of Phase 1 and Phase II combined over the LOM is shown in Table 1-9:

**Table 1-9: Total estimated average LOM operating cost
(Phase 1 + Phase II) (\$/t dry concentrate)**

Category	Avg. (LOM), \$/t conc.
Mining	13.4
Crushing and Conveying	1.7
Process Plant	7.9
Concentrate Shipping	16.8
Water and Tailings Management	2.1
General and Administrative	4.7
Total OPEX (cash cost)	46.6
Sustainability	1.3
Sustaining Capital⁽¹⁾	4.4
All-in sustaining cost	52.3

Notes:

⁽¹⁾ The total sustaining capital costs is estimated at \$4.4/t over the LOM (capital expenses incurred from Year 1 of production to the end of the LOM), which includes items such as mine equipment fleet additions and replacements, facilities additions, rail car leasing, improvements and costs related to phasing of the TMF.

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Economic Analysis

The economic/financial assessment of the Bloom Lake Phase II project of QIO is based on Q2-2019 price projections in USD currency and cost estimates in Canadian currency. A spot exchange rate of USD0.76 per CAD was assumed to convert particular components of the cost estimates into CAD and forward exchange rate estimates were used to convert USD market price projections into CAD. No provision was made for the effects of inflation. The evaluation was carried out on a 100%-equity basis. The evaluation presented is based on expenditures for Phase II only to avoid distorting the results with Phase I concentrate production. Then current Canadian tax regulations were applied to assess the corporate taxes, while the regulations in Québec (originally proposed as Bill 55, December 2013) were applied to assess the mining taxes. The financial indicators under base case conditions are presented in Table 1-10:

Table 1-10: Financial model indicators, Phase II only

Financial Results	Unit	Value
Pre-tax NPV @ 4%	M CAD	2,222.7
Pre-tax NPV @ 6%	M CAD	1,838.5
Pre-tax NPV @ 8%	M CAD	1,531.8
Pre-tax IRR	%	42.4
After-tax NPV @ 4%	M CAD	1,415.6
After-tax NPV @ 6%	M CAD	1,160.4
After-tax NPV @ 8%	M CAD	955.7
After-tax IRR	%	33.4
After-tax Payback Period on initial capital	years	2.4

A sensitivity analysis reveals that the project's viability will not be significantly vulnerable to variations in capital costs and freight, within the margins of error associated with Feasibility-Study-level estimates. However, the project's viability remains more vulnerable to the USD/CAD exchange rate and OPEX and to a more pronounced degree, future market prices of iron ore concentrate.

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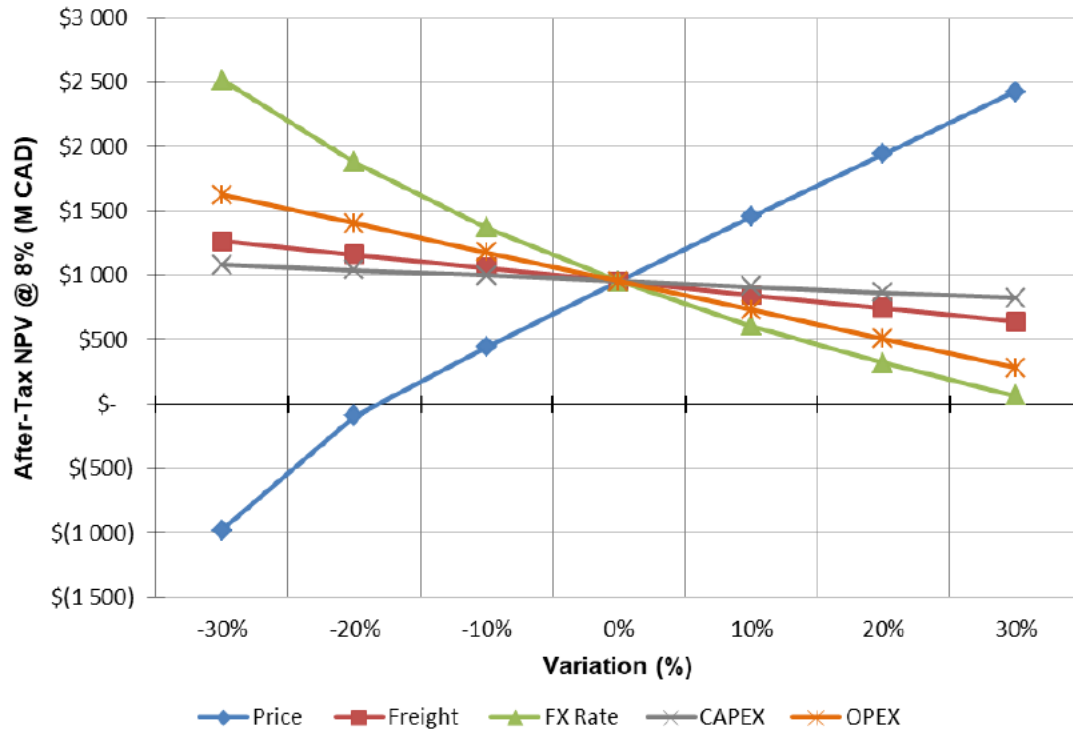


Figure 1-6: Sensitivity of the net present value (after-tax) to financial variables

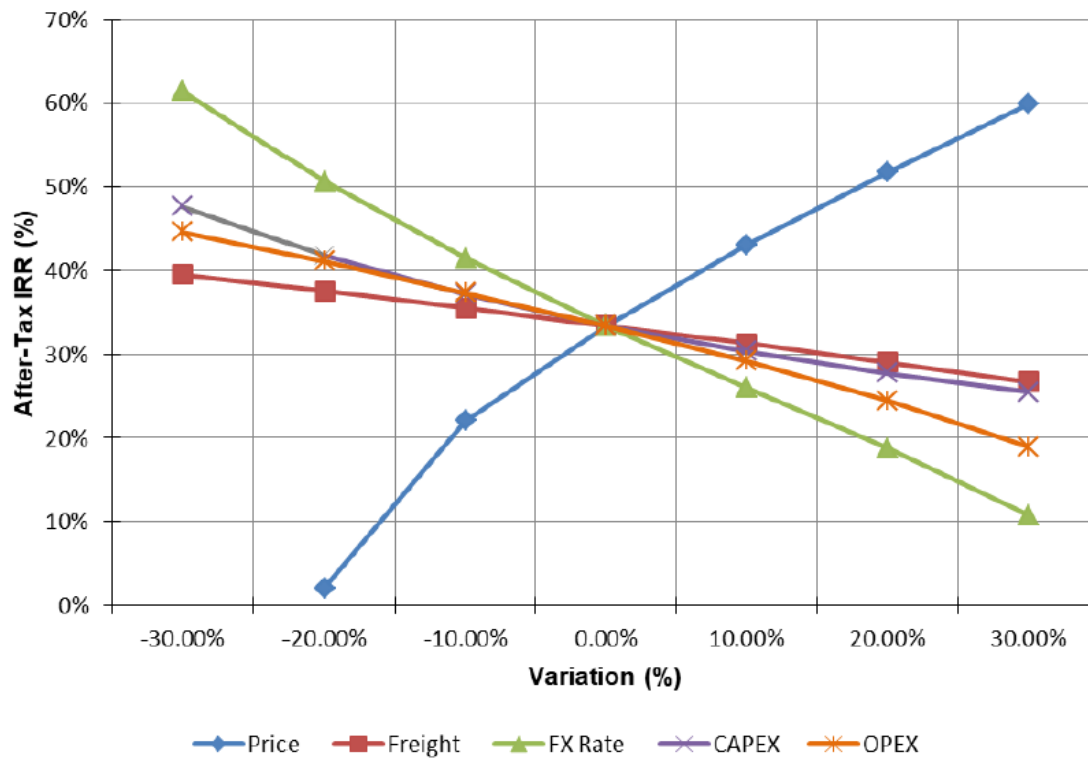


Figure 1-7: Sensitivity of internal rate of return (after-tax) to financial variables

Exploration, Development, and Production at the Bloom Lake Property

As discussed above in this AIF, the Bloom Lake Assets were acquired and significant analysis and other work was undertaken by the Company to determine the optimal approach for future operations. The 2017 Feasibility Study was completed on Bloom Lake in 2017. Subsequently to the release of the 2017 Feasibility Study, the Company had undertaken financings, signed off-take agreements and taken other steps towards re-starting operations at Bloom Lake, which re-commenced on February 16, 2018. QIO made its first shipment of high grade 66% iron ore concentrate on April 1, 2018. The Company declared commercial production at Bloom Lake on June 30, 2018.

The Phase II Feasibility Study, excerpts of which are detailed above in the AIF, was completed on Bloom Lake in 2019. The Company reported the findings of the Phase II Feasibility Study on June 20, 2019, and the Company filed the related NI 43-101 Technical Report under its profile on SEDAR (www.sedar.com) on August 2, 2019.

Subsequent to the release of the Phase II Feasibility Study, the Board approved an initial budget of \$68 million to advance the project during the remainder of 2019 in order to meet the timetable detailed in the Phase II Feasibility Study. The approved budget was funded from cash on hand and existing debt facilities. The finalization of additional funding sources for the project was expected to be completed in the first half of 2020; however, in light of the Company's ramping down of operations at Bloom Lake, starting March 24, 2020, aimed at containing COVID-19 and the Company's operating at a minimal capacity for a period of time, the Company's discretionary capital expenditures in connection with the Phase II expansion project were suspended. Following the announcement by the Company, on April 23, 2020, of the gradual ramping up of its operations following the Québec Government's announcement that mining activities were to be considered a "priority service" in the Province of Québec, the Company resumed some discretionary spending and expanded the initial budget of \$68 million to advance the Phase II expansion project by \$30 million and then by an additional \$22 million on October 5, 2020, for a total budget of \$120 million. On November 12, 2020, the Board provided final approval to complete the Bloom Lake Phase II expansion project. Phase II commissioning was achieved ahead of schedule in late April 2022, despite pandemic-related challenges, positioning the Company to ramp up towards commercial production. On May 3, 2022, the Company announced the completion of the first rail shipments containing 24,304 wet metric tonnes of high-grade 66.2% Fe iron ore concentrate from the Phase II expansion project at the Bloom Lake Mine. The Company reached commercial production in December 2022.

DIVIDEND POLICY

The Board declared an inaugural dividend of \$0.10 per Ordinary Share on January 26, 2022 (Montréal time) / January 27, 2022 (Sydney time), in connection with the semi-annual results for the period ended September 30, 2021, which was paid on March 1, 2022, to the Company's shareholders at the close of business in Australia and Canada on February 8, 2022 (local time). For shareholders holding Ordinary Shares on the Australian share register, the dividend was paid in Australian dollars. The dividend amounts received were calculated by converting the dividend determined to be paid using the exchange rates applicable to Australian dollars five business days prior to the dividend payment date, as published by the Bank of Canada.

The Board then declared a dividend of \$0.10 per Ordinary Share on:

- May 25, 2022 (Montréal time) / May 26, 2022 (Sydney time), in connection with the annual results for the financial year ended March 31, 2022, which was paid on June 28, 2022 (Montréal and Sydney time), to the Company's shareholders on record as at the close of business on June 7, 2022 (Montréal and Sydney time);
- October 26, 2022 (Montréal time) / October 27, 2022 (Sydney time), in connection with the semi-annual results for the period ended September 30, 2022, which was paid on November 29, 2022 (Montréal and Sydney time), to the Company's shareholders on record as at the close of business on November 8, 2022 (Montréal and Sydney time); and
- May 30, 2023 (Montréal time) / May 31, 2023 (Sydney time), in connection with the annual results for the financial year ended March 31, 2023, payable on July 5, 2023 (Montréal and Sydney time), to the Company's shareholders on record as at the close of business on June 14, 2023 (Montréal and Sydney time).

The Board will evaluate future dividends concurrently with the release of the Company's semi-annual and annual results. Any future determination to pay dividends will be in the discretion of the Board and will depend upon

results of operations, capital requirements, any restrictions under applicable debt instruments and such other factors as the Board considers relevant. Additional details on the dividends can be found on the Company's website at www.championiron.com under the section Investors – Dividend Information.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is incorporated under the Corporations Act and is limited by shares. The Company is authorized to issue (i) Ordinary Shares, and (ii) preference shares (including redeemable preference shares).

As of May 31, 2023 (Sydney time), there are 517,193,126 Ordinary Shares on issue. There are no preference shares or redeemable preference shares on issue. There are no partly paid shares on issue.

The special voting share was previously issued to TSX Trust in connection with the Plan of Arrangement. On March 12, 2020, the special voting share was transferred from TSX Trust to the Company and subsequently bought back and cancelled in accordance with Part 2J of the Corporations Act. Notice of the cancellation of the special voting share was provided to the ASX on the cancellation date in accordance with the ASX Listing Rules.

Subject to compliance with the Corporations Act and the ASX Listing Rules, the legal ability of the Company to raise capital and the number of Ordinary Shares that it may issue is unlimited. The rights attaching to Ordinary Shares are set out in the Constitution and are also subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and laws of general application.

The rights attaching to Ordinary Shares are summarized below. This summary is not exhaustive and does not constitute a definitive statement of the rights attaching to the holders of Ordinary Shares (the “**Ordinary Shareholders**”).

Issue of Ordinary Shares

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Board may issue and allot Ordinary Shares for such issue prices and on such terms as it determines in its absolute discretion. This includes the power to grant options over unissued Ordinary Shares. Ordinary Shares may be issued to existing shareholders, whether in proportion to their existing shareholdings or otherwise, or to such other persons as the Board may determine in its absolute discretion.

Transfer of Ordinary Shares

Shareholders may transfer Ordinary Shares by way of a written transfer instrument in any usual or common form (or any other form approved by the Board) or by way of a transfer effected under a computerised or electronic system in accordance with the Corporations Act, the Corporations Regulations and the ASX Settlement Operating Rules and the ASX Listing Rules. The Board may in its discretion refuse to register a transfer of Ordinary Shares in circumstances permitted by the ASX Listing Rules and the Constitution. The Board must refuse to register a transfer of Ordinary Shares if it is required to do so by the ASX Listing Rules.

Conversion of Ordinary Shares

Under the Corporations Act, Ordinary Shares may be converted to preference shares provided certain conditions are met. As the Constitution does not prescribe the rights that would attach to preference shares, a conversion of Ordinary Shares to preference shares would, under the Corporations Act, be permitted only if the shareholder's rights with respect to the following matters are first approved by special resolution of the shareholders: repayment of capital, participation in surplus assets and profits, cumulative and non-cumulative dividends, voting, and priority of payment of capital and dividends in relation to other shares or classes of preference shares.

As there are currently only Ordinary Shares on issue, a conversion of Ordinary Shares to preference shares would be a deemed variation of class rights under the Corporations Act. The legal requirements for approving a variation of class rights are set out immediately below.

Variation of Class Rights

The rights attached to a class of shares may be varied only in accordance with the Corporations Act. Under the Corporations Act, rights attached to shares in a class of shares may be varied or cancelled only by both a special resolution of the Company and either a special resolution of the relevant class or with the written consent of the shareholders holding at least 75% of the votes in the class.

If the shareholders in the class do not unanimously consent to the variation or the cancellation (whether by resolution or written consent), the holders of not less than 10% of the votes in the class may apply within one month of the variation or cancellation to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

Dividends

The holders of Ordinary Shares on which any dividend is declared or paid by the Company are entitled to participate in that dividend equally, in proportion to the number of Ordinary Shares held. The holder of a partly paid Ordinary Share (of which none are currently on issue) would be permitted to receive the fraction of the dividend declared or paid on a fully paid Ordinary Share equivalent to the proportion which the amount paid on such partly paid Ordinary Share bears to the issue price of such Ordinary Share. These dividend entitlements are subject to the rights of persons holding shares with special rights as to dividends (of which none are currently on issue).

The Board may from time to time by resolution either declare a dividend or determine that a dividend is payable out of the profits of the Company. The Board may fix the amount, time and method of payment of the dividend. In the case of a determination that a dividend is payable, the resolution may be amended or revoked until the time fixed for paying the dividend arrives. The payment of a dividend does not require any confirmation by a general meeting of the shareholders of the Company, subject to compliance with the Corporations Act.

Before declaring or determining to pay a dividend, the Board may resolve to set aside, out of the profits of the Company, such amounts by way of reserves as it deems appropriate. The Board may also resolve to carry forward any undistributed profits without transferring them to a reserve. The Board may resolve that a dividend will be paid wholly or partly by the transfer or distribution of specific assets, in which case the Board may deal as it considers expedient with any difficulty which arises in making the transfer or distribution (for example to deal with fractional entitlements), subject to compliance with the Corporations Act.

Winding Up

Subject to the rights of holders of Ordinary Shares issued on special terms and conditions, upon a winding up of the Company, the Ordinary Shareholders would be entitled to participate equally in the distribution of any surplus assets in proportion to the number of and amounts paid on the Ordinary Shares held.

A liquidator may, with the sanction of a special resolution of the shareholders, divide among the Ordinary Shareholders in kind all or any of the Company's assets, and if there are different classes of shares on issue, may for that purpose determine how the division is to be carried out between the different classes.

Any distribution of surplus assets to the holders of Ordinary Shares is after the satisfaction of the Company's creditors.

Voting

Subject to any rights or restrictions attaching to any class of shares, every Ordinary Shareholder may vote at a general meeting in person or by proxy, attorney, or, in the case of an Ordinary Shareholder that is a body corporate, by the individual appointed as its representative. Each Ordinary Shareholder is entitled to one vote for each fully paid Ordinary Share held, one vote, and for each partly paid Ordinary Share held, a fraction of a vote equivalent to the proportion which the amount paid on the Ordinary Share bears to the total issue price of such Ordinary Share.

In the case of jointly held Ordinary Shares, if two or more joint holders purport to vote, then the vote of the joint holder whose name appears first in the register of Ordinary Shareholders will be accepted to the exclusion of the other joint holder or holders.

A resolution put to the vote at a general meeting is decided on a show of hands unless a poll is demanded by at least five Ordinary Shareholders entitled to vote on the resolution, or Ordinary Shareholders with at least 5% of the votes that may be cast on the resolution on a poll, or the chairperson of the meeting. A poll may be demanded before a vote is taken or immediately before or after the result of a vote by show of hands is declared.

In the case of equality of votes on a resolution (by show of hands or poll), the chairperson of the meeting has a casting vote.

Buy-Back of Ordinary Shares and Reduction of Capital

In accordance with the Corporations Act, the Company may, with the agreement of an Ordinary Shareholder, buy-back Ordinary Shares from such Ordinary Shareholder. In certain circumstances (for example where specified buy-back limits are to be exceeded or the buy-back is selective), the buy-back would be subject to the approval of the Ordinary Shareholders by special resolution at a general meeting. Upon registration of the transfer of the Ordinary Shares acquired by the Company in a buy-back, the Ordinary Shares would be deemed to be cancelled. Any buy-backs of Ordinary Shares would also be subject to compliance with applicable Canadian securities laws requiring that either the offer be made to all shareholders, or that an exemption from such requirement be available, for example in connection with a normal course issuer bid through the facilities of a stock exchange.

In accordance with the Corporations Act, the Company may also be permitted to carry out a reduction of capital (such as a return of capital to shareholders or a cancellation of uncalled capital), provided the reduction is fair and reasonable to the Ordinary Shareholders as a whole, does not materially prejudice the ability to pay creditors and the approval of shareholders is obtained (by way of ordinary resolution in the case of an equal reduction or special resolution in the case of a selective reduction).

Sale of Non-Marketable Parcels

The Company may sell the Ordinary Shares of any Ordinary Shareholder who has less than a marketable parcel of those Ordinary Shares, provided certain procedures and conditions prescribed by the Constitution, the ASX Listing Rules and the ASX Settlement Operating Rules are followed. A “marketable parcel” in relation to Ordinary Shares is a parcel of Ordinary Shares of not less than A\$500 based on the closing price on a trading platform. Notice of at least six weeks (or any lesser period permitted under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules) is required to be given by the Company to the Ordinary Shareholder of the Company’s intention to sell the Ordinary Shares. During such notice period, the Ordinary Shareholder has the opportunity to advise the Company that the Ordinary Shareholder wishes to retain its Ordinary Shares (and if such notification is given by the shareholder, the Company is not permitted to sell such Ordinary Shares).

Preference Shares and Redeemable Preference Shares

Subject to the Corporations Act, the Company may issue preference shares (including preference shares that are liable to be redeemed). Pursuant to the Constitution, if the Board resolves to issue a preference share, it must pass a resolution which specifies: (a) the dividend date; (b) the dividend rate; (c) whether dividends are cumulative or non-cumulative; (d) the priority with respect to payment of dividends and repayment of capital over other classes of shares; and (e) whether the share is a redeemable preference share or not. The holder of a preference share has no right to vote at any meeting of members other than the exceptions described in the Constitution. Subject to the terms of issue of any particular class of preference share, the issue of further preference shares that rank equally with any issued preference shares is not taken to affect the rights of the holders of existing preference shares whether or not the dividend rate of the new preference shares is the same as or different from that applicable to that existing preference shares. As of the date of this AIF, there are no preference shares on issue.

MARKET FOR SECURITIES

Trading Price and Volume of Ordinary Shares

The Ordinary Shares commenced trading on the TSX on March 31, 2014, and on the ASX on April 3, 2014, under the symbol “CIA” and prior to that date, traded on the ASX under the symbol “MAB”. The following table sets forth the volume of trading and price ranges of the Ordinary Shares on the TSX for each month during the financial year ended March 31, 2023.

Financial Year Ended March 31, 2023			
Month	High (C\$)	Low (C\$)	Volume
April 2022	7.59	6.00	13,473,307
May 2022	7.26	5.74	9,940,093
June 2022	7.22	4.42	12,647,985
July 2022	4.67	3.99	11,004,919
August 2022	5.02	4.01	9,896,754
September 2022	5.00	4.06	5,788,392
October 2022	4.83	3.99	11,100,931
November 2022	5.99	4.03	13,197,073
December 2022	6.87	6.01	9,923,723
January 2023	7.60	6.55	15,672,627
February 2023	7.23	6.43	8,738,643
March 2023	7.38	5.81	9,045,191

Prior Sales

No class of securities of the Company, other than the Ordinary Shares, are listed for trading on a marketplace. The following are the details of the other securities of the Company which are outstanding as at the date hereof.

Stock Options

No options were issued by the Company during the financial year ended March 31, 2023, under the Company’s 2018 Omnibus Incentive Plan.

Deferred Share Units, Restricted Share Units and Performance Share Units

The following Deferred Share Units, Restricted Share Units and Performance Share Units were issued by the Company during the financial year ended March 31, 2023.

Type of Security	Issue Date	Market Value per Unit	Number of Units
Performance Share Units	June 6, 2022	\$6.89	610,374
	June 28, 2022 ⁽¹⁾	-	38,565
	November 29, 2022 ⁽¹⁾	-	61,141
Restricted Share Units	June 6, 2022	\$6.89	362,880
	June 28, 2022 ⁽¹⁾	-	13,931
	September 12, 2022	\$4.61	125,000
	November 29, 2022 ⁽¹⁾	-	24,799
Deferred Share Units	September 26, 2022	\$4.54	34,142
	June 28, 2022 ⁽¹⁾	-	4,253
	November 29, 2022 ⁽¹⁾	-	7,090
	March 30, 2023	\$6.06	25,777
	March 30, 2023	A\$6.67	9,588

Notes:

⁽¹⁾ Represents units granted as dividend equivalent payments. Dividend equivalent PSUs, RSUs or DSUs are subject to the same terms and conditions and vest and are settled at the same time and in the same form as the PSUs, RSUs or DSUs, as applicable to which such dividend equivalent unit relates.

DIRECTORS AND OFFICERS

The Company has eight directors. The current term of office of each director will expire on the date of the next annual meeting of shareholders of the Company or the date such director's successor is duly elected or appointed pursuant to the Constitution, unless such director's office is earlier vacated in accordance with the provisions of the Constitution.

The following table sets forth certain information concerning the Company's directors based upon information furnished by them to management.

Name, Province and Country of Residence	Position with Company	Principal Occupation During Five Preceding Years	Director Since
Michael O'Keeffe, B AppSc (Metallurgy) New South Wales, Australia	Executive Chairman	Corporate director and executive in the mining business. Executive Chairman of the Company since 2013. Chief Executive Officer of the Company from 2014 to 2019. Chairman of Riversdale Resources Limited from 2012 to 2019.	2013
David Cataford Québec, Canada	Chief Executive Officer and Director	Chief Executive Officer of the Company since April 2019. Chief Operating Officer of the Company from 2017 to 2019. Vice-President, Engineering of the Company from 2014 to 2017.	2019
Andrew J. Love ⁽¹⁾ New South Wales, Australia	Lead Director Non-Executive Director	Corporate director. A member, and a senior partner of Australian accounting firm Ferrier Hodgson from 1976 to 2008. Thereafter, a consultant to Ferrier Hodgson until 2019.	2014
Gary Lawler ⁽¹⁾⁽²⁾ New South Wales, Australia	Non-Executive Director	Lawyer. Partner in a number of leading Australian law firms between 1981 and 2014. Currently a Senior Adviser at Ashurst Australia.	2014
Michelle Cormier ⁽¹⁾⁽²⁾⁽³⁾ Québec, Canada	Non-Executive Director	Operating Partner of Wynnchurch Capital Canada, Ltd. since 2014.	2016

Name, Province and Country of Residence	Position with Company	Principal Occupation During Five Preceding Years	Director Since
Louise Grondin ⁽²⁾⁽³⁾ Ontario, Canada	Non-Executive Director	Since January 2021, Ms. Grondin is working as an independent consultant after retiring from Agnico Eagle Mines Ltd, a Canadian-based international gold producer. 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.	2020
Jyothish George Switzerland	Non-Executive Director	Head of Marketing (copper & zinc metal) at Glencore. Immediately prior to his current role, Mr. George served as 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 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.	2017
Wayne Wouters ⁽³⁾ Ontario, Canada	Non-Executive Director	Strategic and Policy Advisor with McCarthy Tétrault LLP since 2015.	2016

Notes:

⁽¹⁾ Member of the Audit Committee of the Company.

⁽²⁾ Member of the Remuneration, People and Governance Committee of the Company.

⁽³⁾ Member of the Sustainability and Indigenous Affairs Committee of the Company.

The following table sets forth certain information concerning the executive officers of the Company as of March 31, 2023, based in part upon information furnished by them to management.

Name, Province and Country of Residence	Position with Company	Principal Occupation During Five Preceding Years
Michael O'Keeffe, B AppSc (Metallurgy) New South Wales, Australia	Executive Chairman	Corporate director and executive in the mining business. Executive Chairman of the Company since 2013. Chief Executive Officer of the Company from 2014 to 2019. Chairman of Riversdale Resources Limited from 2012 to 2019.
David Cataford, Québec, Canada	Chief Executive Officer	Chief Executive Officer of the Company since April 2019. Chief Operating Officer of the Company from 2017 to 2019. Vice-President, Engineering of the Company from 2014 to 2017.
Donald Tremblay, Québec, Canada	Chief Financial Officer	Chief Financial Officer of the Company since September 12, 2022. Chief Financial Officer of the Iron Ore Company of Canada from 2018 to 2022. Chief Financial Officer of TransAlta Corporation from 2014 to 2018. Chief Financial Officer of Brookfield Renewable Power from 1999 to 2011 and Chief Business Development Officer from 2011 to 2014.
Alexandre Belleau Québec, Canada	Chief Operating Officer	Chief Operating Officer of the Company since July 2020. General Manager of Projects and Innovation of QIO from July 2017 to July 2020. Project manager of QIO from August 2016 to July 2017.

Name, Province and Country of Residence	Position with Company	Principal Occupation During Five Preceding Years
Steve Boucraie Québec, Canada	Senior Vice-President, General Counsel and Corporate Secretary	Senior Vice-President, General Counsel and Corporate Secretary of the Company since 2021. Vice-President, General Counsel and Corporate Secretary of the Company between 2019 and 2021. Director, Legal Affairs and Assistant Corporate Secretary of Osisko Gold Royalties Ltd from 2017 to 2019. Partner at Fasken Martineau DuMoulin LLP from 2012 to 2017.
Michael Marcotte, Québec, Canada	Senior Vice-President, Corporate Development and Capital Markets	Senior Vice-President, Corporate Development and Capital Markets of the Company since 2021. Vice-President, Investor Relations of the Company from 2018 to 2021. Associate Director at Macquarie Capital Markets from 2007 to 2018. Vice-President and Partner at Orion Financials Inc. from 2004 to 2007, which was acquired by Macquarie Capital Markets Canada Ltd.
Angela Kourouklis, Québec, Canada	Senior Vice-President, Human Resources	Senior Vice-President, Human Resources, since August 2021. Vice-President, Human Capital Management, for La Presse inc. from 2020 to 2021 and Director of Human Resources at Bridgestone Canada, Inc. from 2016 to 2020.
William Michael Hundy, New South Wales, Australia	Company Secretary – Australia	Appointed as Company Secretary - Australia in January 2023. Senior Company Secretary and Solicitor for Company Matters (a company providing corporate services to publicly traded companies).

As of May 31, 2023 (Sydney time), the directors and executive officers of the Company as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 52,268,729 Ordinary Shares representing approximately 10.11% of the issued and outstanding Ordinary Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the knowledge of the Company, no director or executive officer of the Company, and no personal holding company of any of them, is, at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) while that person was acting in that capacity, was subject to a cease trade order, a similar order or an order that denied the issuer access to any exemption under securities legislation, which order, in each case, was in effect for a period of more than 30 consecutive days, or (b) was subject to any such order that was issued after that person ceased to be a director chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, to the knowledge of the Company, no director, executive officer or shareholder of the Company holding a sufficient number of shares to affect materially the control of the Company, and no personal holding company of any of them, is, as at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In January 2017, Michelle Cormier was asked by the remaining senior secured creditor and by the sole shareholder of Calyx Transportation Inc. (“**Calyx**”) to become the sole director and officer of Calyx. In this capacity, her mandate was to wind down Calyx in the most efficient manner, following the sale, in December 2016, by Calyx of all assets and businesses in which it operated. The large majority of net proceeds from such sales were used to repay

bank indebtedness, employee severances and suppliers. Following all such payments, the cash on hand was insufficient to repay the remaining secured creditor. Given the insolvency of Calyx, Michelle Cormier in her capacity as director of Calyx approved a voluntary assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) in order to complete the wind down of Calyx's affairs and discharge her mandate.

To the knowledge of the Company, no director, executive officer or shareholder of the Company holding a sufficient number of shares to affect materially the control of the Company, and no personal holding company of any of them, has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

To the knowledge of the Company, no director, executive officer or shareholder of the Company holding a sufficient number of shares to affect materially the control of the Company, and no personal holding company of any of them: (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; or (b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable investor in making an investment decision; or (c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making investment decision.

CONFLICTS OF INTEREST

To the knowledge of the Company, there are no existing or potential conflicts of interest between the Company and any director or officer of the Company. The directors and officers of the Company may serve as directors or officers of other public companies involved in the mining industry or have significant shareholdings in other public companies involved in the mining industry. 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, a director is required to disclose the conflict of interest and to abstain from voting on the matter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the financial year ended March 31, 2023, the Company was not a party to, nor was any of its property the subject of, any legal proceedings or any pending legal proceedings, or, to the Company's knowledge, contemplated legal proceedings, the outcome of which could have a material adverse effect on the Company.

During the financial year ended March 31, 2023, and during the current financial year, there have been no (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements entered into by the Company before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three most recently completed financial years or during the current financial year of the Company, to the knowledge of the Company, no director or executive officer of the Company, no shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting securities of the Company, and no associate or affiliate of any of them, has or had any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company.

AUDITORS, REGISTRARS AND TRANSFER AGENTS

The Company's registrars and transfer agents are:

Automic Group Limited
Level 5
126 Phillip Street
Sydney New South Wales 2000
Australia

TSX Trust Company
Suite 301
100 Adelaide Street West
Toronto, Ontario M5H 4H1
Canada

The Company's auditors are:

Ernst & Young
200 George Street
Sydney 2000 New South Wales
Australia

MATERIAL CONTRACTS

The Company has not entered into any material contracts (other than those entered into in the ordinary course of business), except for the US\$400 million general purpose Revolving Facility agreement dated as of May 24, 2022, among QIO, Champion, Lac Bloom Railcars Corporation Inc., Société Générale (Coordinating Bank, Mandated Lead Arranger and Joint Bookrunner), The Bank of Nova Scotia, The Toronto-Dominion Bank, Royal Bank of Canada (all acting as Mandated Lead Arrangers and Joint Bookrunners).

INTERESTS OF EXPERTS

André Allaire, P. Eng., Isabelle Leblanc, P. Eng., Pierre-Luc Richard, P. Geo., each of BBA Inc., co-authored the Phase II Feasibility Study (see "*Material Property – Bloom Lake*"). Each of Mr. Allaire, Ms. Leblanc and Mr. Richard is a Qualified Person and is independent of the Company.

Mathieu Girard, P. Eng., of Soutex co-authored the Phase II Feasibility Study (see "*Material Property – Bloom Lake*"). Mr. Girard is a Qualified Person and is independent of the Company.

Phillippe Rio Roberge, P. Eng., of WSP Canada Inc. co-authored the Phase II Feasibility Study (see "*Material Property – Bloom Lake*"). Mr. Roberge is a Qualified Person and is independent of the Company.

All scientific and technical information in this AIF has been reviewed and approved by, or otherwise prepared by, Vincent Blanchet, P. Eng., Engineer at QIO, except that where so indicated herein, said information has been reviewed and approved by, or otherwise prepared by, Brandon Wilson, P. Eng., Engineer at QIO. Each of Mr. Blanchet and Mr. Wilson is a Qualified Person.

To the knowledge of the Company, after reasonable enquiry, (i) none of the foregoing persons beneficially owns, directly or indirectly, or exercises control or direction over, any securities of the Company representing more than 1% of the outstanding securities of the Company of the same class, and (ii) none of the foregoing persons has any registered or beneficial interest, direct or indirect, in any other property of the Company.

Ernst & Young, the external auditors of the Company, reported on the financial statements for the year ended March 31, 2023. Ernst & Young advised the Company that it has no registered or beneficial interest, direct or indirect, in any securities or other property of the Company. Ernst & Young has advised the Company that it is independent of the Company in accordance with the independence requirements of the Corporations Act and within the meaning of the Code of Ethics of Chartered Professional Accountants of the Ordre des comptables professionnels agréés du Québec.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the charter of the Company's Audit Committee is attached as Schedule "A" hereto.

Composition and Independence of Audit Committee

The Audit Committee of the Company is currently composed of three members, Michelle Cormier (Chair), Andrew J. Love and Gary Lawler, none of whom is an executive officer or employee of the Company. All of the Audit Committee members are independent as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Financial Literacy

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

All of the members of the Audit Committee are financially literate.

Relevant Education and Experience

Each Audit Committee member possesses certain education and experience which is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, education or experience which provides the member with one or more of the following: an understanding of the accounting principles used by the Company to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

Michelle Cormier has obtained significant financial experience and exposure to accounting and financial issues in her role as a senior-level executive with experience in management, including financial management, corporate finance, turnaround and strategic advisory situations and human resources. She has strong capital markets background with significant experience in public companies listed in the United States and Canada. Mrs. Cormier has been Operating Partner at Wynnchurh Capital Canada, Ltd. since 2014. Mrs. Cormier 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). Mrs. Cormier articulated with Ernst & Young. She serves on the board of directors of Cascades Inc. and Uni-Select Inc.

Andrew J. Love has obtained significant financial experience and exposure to accounting and financial issues in his capacity as a Chartered Accountant with more than 35 years of experience in corporate recovery and reconstruction in Australia. He was initially a member and then on retirement a senior partner of Australian accounting firm Ferrier Hodgson in the period 1976 to 2008. He then acted as a consultant to the firm until 2019. He has advised major local and overseas companies and financial institutions in a broad variety of restructuring and formal insolvency

assignments and specialized in the resources industry. Mr. Love has been an independent director of a number of listed companies over a 30-year period in the resources, financial services and property industries. This has involved corporate experience in Asia, Africa, Canada, the United Kingdom and the United States. Mr. Love's previous board positions have included Chairman of ROC Oil Ltd., Deputy Chairman of Riversdale Mining Limited, Director of Charter Hall Office Trust, Chairman of Museum of Contemporary Art, Chairman of Gateway Lifestyle Operations Ltd. and Director of Scottish Pacific Group Ltd.

Gary Lawler has obtained significant financial experience and exposure to accounting and financial issues in his capacity as a leading Australian corporate lawyer who has specialized as a mergers and acquisitions lawyer for over 40 years. Mr. Lawler has been a partner of a number of leading Australian law firms and is currently a Senior Advisor at Ashurst Australia. Mr. Lawler is also the Chairman of Mont Royal Resources Limited. Mr. Lawler has previously held board positions with Dominion Mining Limited, Riversdale Mining Limited, Riversdale Resources Limited and Cartier Silver Corporation (formerly Cartier Iron Corporation) and brings a wealth of experience to the Board.

Mandate

The mandate of the Audit Committee is to review the integrity of the Company's financial reporting processes and to liaise with and oversee the external auditors. In addition to reviewing the financial controls of the Company, which is its ongoing responsibility, the Audit Committee reviews the annual financial statements and interim financial statements and provides oversight of the accounting and financial reporting process and any other significant financial issues. The Audit Committee is scheduled to meet at least four times a year and otherwise as frequently and at such intervals as it determines is necessary to carry out its duties and responsibilities, including meeting separately with the external auditors.

External Audit Fees

The Company appointed Ernst & Young as the external auditors of the Company on November 26, 2013. The following table sets forth the fees billed to the Company by Ernst & Young for services rendered in the last two financial years (in thousands of dollars).

Ernst & Young (Canadian firm)	2023	2022
Audit fees ⁽¹⁾	667	688
Audit-related fees ⁽²⁾	8	-
Tax fees ⁽³⁾	97	86
All other fees ⁽⁴⁾	-	2
Total - Canadian firm (\$)	772	776
Ernst & Young (Australian firm)		
Audit fees ⁽¹⁾	79	73
Tax fees ⁽³⁾	2	-
All other fees ⁽⁴⁾	-	-
Total - Australian firm (\$)	81	73
Total (\$)	853	849

Notes:

⁽¹⁾ Audit fees related to professional services for the audit and review of the financial statements and other regulatory audit services.

⁽²⁾ Fees related to assurance services related to the performance of the audit or review of the Company's consolidated financial statements, but not reported as audit fees.

⁽³⁾ Tax fees related to professional services for tax compliance, tax advice and tax planning.

⁽⁴⁾ All other fees related to services not meeting the fee classification under notes (1), (2) and (3) above.

ADDITIONAL INFORMATION

Additional information, which is not and shall not be deemed to be incorporated by reference in this AIF, relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Further, information with respect to the Company, which is not and shall not be deemed to be incorporated by reference in this AIF, including with respect to the directors' and officers' remuneration and indebtedness, principal holders of securities of the Company and securities authorized for issuance under equity compensation plans, is contained in the management information circular of the Company for its most recent annual meeting of shareholders that involved the election of directors dated as of July 20, 2022 (the "**Information Circular**"). Additional financial information is provided in the consolidated financial statements and the management's discussion and analysis of the Company for the financial year ended March 31, 2023. A copy of this Annual Information Form, the Annual Report of the Company for the financial year ended March 31, 2023, and the Information Circular may be obtained from SEDAR or upon request from the Corporate Secretary of the Company.

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SCHEDULE A
CHAMPION IRON LIMITED
AUDIT COMMITTEE CHARTER

The Board of Directors (the “Board”) of Champion Iron Limited (the “Company”) has established an Audit Committee (the “Committee”) which consists entirely of independent and non-executive directors. The roles and responsibilities of the Committee are outlined in this charter.

Membership

The Committee shall consist of at least three independent Board members who can all read and understand financial statements and are otherwise financially literate, including:

- At least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- At least one member who has an understanding of the industry in which the Company operates.

The members of the Committee are appointed by the Board.

Chair

The Board or, failing that, the Committee shall appoint an independent director, other than the Chair of the Board, to be the Chair of the Committee. The Chair is responsible for the following:

- Providing the necessary direction required for the Committee to undertake its role effectively;
- Establishing the frequency of the Committee meetings, within the parameters set forth in this charter;
- Overseeing the preparation of Committee agendas and briefing papers and ensuring that all required matters are brought before the Committee and that all the Committee members receive timely and accurate information so that they can make informed decisions on matters under the Committee’s responsibility;
- Reporting to the Board on the matters reviewed by the Audit Committee and on any decisions or recommendations of the Committee in accordance with this charter;
- Reviewing the expense reports of the Executive Chairman and the Chief Executive Officer;
- Carrying out any special assignments or functions as requested by the Board.

Secretary

Unless otherwise determined by the Committee, the Corporate Secretary shall be the Secretary of the Committee.

Other Attendees

The Chief Financial Officer as well as other members of senior management may be invited to be present for all or part of the meetings of the Committee, but shall not be members of the Committee.

Representatives of the external auditor are expected to attend each meeting of the Committee and at least once a year the Committee shall meet with the external auditors without any management, executives or staff present.

Quorum

A quorum consists of the majority of the members.

Meetings

Committee meetings shall be held not less than five times a year so as to enable the Committee to undertake its role effectively. In addition, the Chair is required to call a meeting of the Committee if requested to do so by any member of the Committee, the Chief Financial Officer or the external auditor.

Reporting Procedures

The Committee shall keep minutes of its meetings. The minutes of each Committee meeting shall be drafted by the Secretary of the Committee or such other secretary of the meeting as shall be delegated by the Secretary or appointed by the Committee from time to time. The Secretary of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chair of the Committee.

A report is to be made by the Chair of the Committee at the Board meeting following the Committee meeting along with any recommendations of the Committee.

Duties and Responsibilities of the Committee

The Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the work of the external auditors. In particular, the Committee has the following duties:

Financial Statements and Information

- To review the audited annual and unaudited half-yearly and quarterly financial statements and any press releases and reports which accompany published financial statements (including management's discussion and analysis, related press releases and conference call presentations) before submission to the Board, recommending their approval, focusing particularly on:
 - Any changes in accounting policies and practices;
 - Major judgmental areas;
 - Significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;
 - Compliance with accounting policies and standards; and
 - Compliance with legal requirements.
- To review any financial outlook or future-oriented financial information disclosed by the Company before submission to the Board, recommending their approval, focusing on reasonableness of assumptions used and appropriateness of disclosure.
- To review any periodic report, announcement or press release containing financial information that is not audited or reviewed by an external auditor, before submission to the Board, recommending their approval.

Related Party Transactions

- To review and monitor any related party transactions.

External Audit Function

- To recommend to the Board the appointment of the external auditor.
- Each year, to review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.
- To discuss with the external auditor before the audit commences the nature and scope of the audit.
- To meet privately with the external auditor on at least an annual basis.
- To determine that no management restrictions are being placed upon external auditor.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- To review the external auditor's management letter and management's response and resolve any disagreement between management and the external auditor regarding financial reporting.
- To review any regulatory reports on the Company's operations and management's response.
- To pre-approve all non-audit services to be provided to the Company and its subsidiaries by the external auditor in accordance with National Instrument 52-110 - Audit Committees.
- To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

Communication

- Providing, through regular meetings, a forum for communication between the Board, senior financial management, staff involved in internal control procedures and the external auditors.
- Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the general public.
- Establishing procedures for the receipt, retention and treatment of complaints and concerns regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously, and publicising such procedures in the Company's Whistleblower Policy.

Assessment of Effectiveness

- To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management and the external auditors.

Oversight of the Risk Management System

- To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company, including the Company's internal compliance and control systems.
- To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk are minimised.
- To review at least annually the adequacy of the Company's insurance coverage.

- To evaluate the Company's exposure to fraud and to cyber security, data privacy or technology risks.
- To take an active interest in ethical considerations regarding the Company's policies and practices.
- To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- To identify and direct any special projects or investigations deemed necessary.
- To determine the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the Company, regularly review and update the risk profile, and ensure material risk factors are appropriately disclosed in the Company's annual and interim reports and the Company's annual information form.

Authority

The Committee is authorized by the Board to investigate any activity within its charter. The Committee shall have access to management and to the external and, if applicable, internal auditors with or without management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorized by the Board to obtain outside legal or other independent professional advice, to set and pay the compensation for such legal or other advisors and to secure the attendance of advisors with relevant experience and expertise if it considers this necessary.

The Committee is required to make recommendations to the Board on all matters within the Committee's charter.

Board Review and Approval

This charter shall be reviewed annually by the Board, following review and recommendation by the Committee. The current version of this charter was approved by the Board on January 26, 2023 (Montréal time) / January 27, 2023 (Sydney time).