Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended December 31, 2023

CHAMPION IRON

TSX: CIA - ASX: CIA

As at January 31, 2024

The following Champion Iron Limited ("Champion" or the "Company") Management's Discussion and Analysis ("MD&A") has been prepared as of January 31, 2024. This MD&A is intended to supplement the condensed interim consolidated financial statements for the three and nine-month periods ended December 31, 2023, and related notes thereto ("Financial Statements"), which have been prepared in accordance with AASB 134/IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Company's audited annual financial statements and MD&A for the financial year ended March 31, 2023. The Financial Statements and other information pertaining to the Company are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

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

Unless otherwise specified, all dollar figures stated herein are expressed in millions of Canadian dollars, except for: (i) tabular amounts, which are in thousands of Canadian dollars; and (ii) per share or per tonne amounts. The following abbreviations and definitions are used throughout this MD&A: US$ or U.S. dollar (United States dollar), C$ (Canadian dollar), Board (Board of Directors), t (tonnes), wmt (wet metric tonnes), dmt (dry metric tonnes), Mtpa (million tonnes per annum), M (million), km (kilometres), m (metres), FOB (free on board), Fe (iron ore), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), Phase II (Phase II expansion project), DRPF (direct reduction pellet feed), GHG (greenhouse gas), G&A (general and administrative), P62 index (Platts IODEX 62% Fe CFR China index), P65 index (Platts IODEX 65% Fe CFR China index), C3 index (C3 Baltic Capesize index), CAPEX (capital expenditures), EBITDA (earnings before interest, tax, depreciation and amortization), AISC (all-in sustaining costs) and EPS (earnings per share). The terms "Champion" or the "Company" refer to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. The term "QIO" refers to Quebec Iron Ore Inc., the Company's wholly-owned subsidiary and the operator of Bloom Lake. IFRS refers to the International Financial Reporting Standards.

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" sections of the Company's 2023 Annual Information Form and the MD&A for the financial year ended March 31, 2023, and to the "Cautionary Note Regarding Forward-Looking Statements" section of this MD&A.

Non-IFRS and Other Financial Measures

Certain financial measures used by the Company to analyze and evaluate its results are non-IFRS financial measures or ratios and supplementary financial measures. Each of these indicators is not a standardized financial measure under IFRS and might not be comparable to similar financial measures used by other issuers. These indicators are intended to provide additional information and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. The non-IFRS and other financial measures included in this MD&A are: EBITDA and EBITDA margin, adjusted net income, adjusted EPS, available liquidity, cost of sales per dmt sold, C1 cash cost or total cash cost per dmt sold, AISC per dmt sold, cash operating margin, cash profit margin, gross average realized selling price per dmt sold, net average realized selling price per dmt sold or net average realized FOB selling price per dmt sold, and operating cash flow per share. When applicable, a quantitative reconciliation to the most directly comparable IFRS measure is provided in section 21 — Non-IFRS and Other Financial Measures of this MD&A.

Cautionary Note Regarding Forward-Looking Statements

Forward-Looking Statements

This MD&A 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 Statements

All statements, other than statements of historical facts, included in this MD&A that address future events, developments or performance that Champion expects to occur are forward-looking statements. Forward-looking statements include, among other things, Management's expectations regarding:

(i) the Company's Phase II expansion project, its nameplate capacity, throughput, recovery rates, economic and other benefits, impact on nameplate capacity and associated costs;

(ii) Bloom Lake's life of mine, recovery rates, production, economic and other benefits;

Cautionary Note Regarding Forward-Looking Statements (continued)

Specific Forward-Looking Statements (continued)

(iii) the project to upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants and to convert approximately half of Bloom Lake's increased nameplate capacity of 15 Mtpa to commercially produce a Direct Reduction quality pellet feed iron ore, expected project timeline, economics, capital expenditure, budget and financing, production metrics, technical parameters, permitting and approvals, efficiencies and economic and other benefits;

(iv) the study evaluating the re-commissioning of the Pointe-Noire Iron Ore Pelletizing Facility to produce Direct Reduction grade pellets, including its anticipated completion timeline, economics, capital expenditure and expected premium that high quality DRPF products will attract;

(v) the Kami Project's study, its purpose, including evaluating the potential to produce a Direct Reduction grade product, expected project timeline, economics, capital expenditure, budget and financing, production and financial metrics, technical parameters, flowsheet, permitting and approvals, available and planned infrastructure, expected environmental footprint, efficiencies and economic and other benefits and related engagement with stakeholders and strategic partners;

(vi) the future declaration and payment of dividends and the timing thereof;

(vii) the shift in steel industry production methods towards reducing emissions and green steel production methods, including expected rising demand for higher-grade iron ore products and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including related research and development and the transition of the Company's product offering (including producing high quality DRPF products) and expected benefits thereof;

(viii) the cold pelletizing technology and its potential to substantially reduce emissions linked to the agglomeration of iron ore;

(ix) greenhouse gas and CO_2 emissions reduction initiatives, objectives, targets and expectations;

(x) increasing stripping activities;

(xi) stockpiled ore levels, shipping and sales of accumulated concentrate inventories and related rehandling costs and their impact on the cost of sales;

(xii) increased shipments of iron ore and related railway and port capacity and transportation and handling costs;

(xiii) the Company's mining equipment rebuild program, fleet management program, tailings investment plan and related investments and benefits;

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

(xv) the relationship between iron ore prices and ocean freight costs and their impact on the Company;

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

(xvii) the Company's cash requirements for the next twelve months, the Company's positioning to fund such cash requirements and estimated future interest payments;

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

(xix) production and recovery rate targets and the Company's performance;

(xx) pricing of the Company's products;

(xxi) the Company's tax position;

(xxii) the Company's expected iron ore concentrate production and sales;

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

(xxiv) available liquidity to support the Company's growth projects; and

(xxv) the Company's growth and opportunities generally.

Deemed Forward-Looking Statements

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves and resources may be greater or less than the estimates provided herein.

Cautionary Note Regarding Forward-Looking Statements (continued)

Risks

Although Champion believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expressed in forward-looking statements include, without limitation:

- the results of feasibility studies;
- changes in the assumptions used to prepare feasibility studies;
- project delays;
- timing and uncertainty of industry shift to green steel and electric arc furnaces, impacting demand for high-grade feed;
- continued availability of capital and financing and general economic, market or business conditions;
- general economic, competitive, political and social uncertainties;
- future prices of iron ore;
- future transportation costs;
- failure of plant, equipment or processes to operate as anticipated;
- delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; and
- the effects of catastrophes and public health crises, including the impact of COVID-19, on the global economy, the iron ore market and Champion's operations,

as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2023 Annual Report and Annual Information Form for the financial year ended March 31, 2023, all of which are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

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

Additional Updates

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

1. Description of Business

Champion was incorporated under the laws of Australia in 2006 and is listed on the Toronto Stock Exchange (TSX: CIA) and the Australian Securities Exchange (ASX: CIA), and trades on the OTCQX Best Market (OTCQX: CIAFF).

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The two concentrators have a combined nameplate capacity of 15 Mtpa and produce low contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality iron ore concentrate. Benefiting from one of the highest purity resources globally, the Company is investing to upgrade half of the Bloom Lake mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe. Bloom Lake's high-grade and low contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. The Company ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has sold its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project, located a few kilometres south-east of Bloom Lake, and the Cluster II portfolio of properties, located within 60 km south of Bloom Lake.

2. Financial and Operating Highlights

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
Iron ore concentrate produced (wmt)	**4,042,600**	2,962,500	36%	**10,887,000**	8,102,400	34%
Iron ore concentrate sold (dmt)	**3,227,500**	2,694,200	20%	**8,674,800**	7,501,500	16%
Financial Data (in thousands of dollars, except per share amounts)						
Revenues	**506,891**	351,233	44%	**1,191,621**	931,175	28%
EBITDA[1]	**246,609**	118,206	109%	**467,450**	297,467	57%
EBITDA margin[1]	**49 %**	34 %	44%	**39 %**	32 %	22%
Net income	**126,462**	51,406	146%	**208,400**	112,490	85%
Adjusted net income[1]	**126,462**	54,067	134%	**210,774**	137,479	53%
Basic EPS	**0.24**	0.10	140%	**0.40**	0.22	82%
Adjusted EPS[1]	**0.24**	0.10	140%	**0.41**	0.27	52%
Net cash flows from operating activities	**162,623**	13,440	1,110%	**374,118**	68,262	448%
Dividend per ordinary share paid	**0.10**	0.10	—%	**0.20**	0.20	—%
Cash and cash equivalents	**387,373**	165,986	133%	**387,373**	165,986	133%
Total assets	**2,634,696**	2,189,347	20%	**2,634,696**	2,189,347	20%
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**195.8**	171.6	14%	**179.0**	171.2	5%
Net average realized selling price[1]	**157.1**	130.4	20%	**137.4**	124.1	11%
C1 cash cost[1]	**73.0**	76.0	(4%)	**75.7**	71.7	6%
AISC[1]	**83.9**	86.7	(3%)	**92.0**	86.7	6%
Cash operating margin[1]	**73.2**	43.7	68%	**45.4**	37.4	21%
Statistics (in U.S. dollars per dmt sold)[2]						
Gross average realized selling price[1]	**144.0**	126.5	14%	**132.7**	130.5	2%
Net average realized selling price[1]	**115.6**	96.1	20%	**101.9**	94.7	8%
C1 cash cost[1]	**53.6**	56.0	(4%)	**56.1**	54.6	3%
AISC[1]	**61.6**	63.9	(4%)	**68.2**	66.0	3%
Cash operating margin[1]	**54.0**	32.2	68%	**33.7**	28.7	17%

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.
[2] See the "Currency" subsection of this MD&A included in section 7 — Key Drivers.

3. Quarterly Highlights

Operations and Sustainability

- No serious injuries and no major environmental incidents reported in the quarter;
- Published Champion's 2023 Annual Modern Slavery Statement, highlighting the Company's commitment to upholding human rights;
- Production exceeded Bloom Lake's recently expanded nameplate capacity, resulting in a record quarterly production of 4.0 million wmt (3.9 million dmt) of high-grade 66.3% Fe concentrate for the three-month period ended December 31, 2023, up 17% from the previous quarter, and 36% over the same period last year;
- Record quarterly iron ore concentrate sales of 3.2 million dmt for the three-month period ended December 31, 2023, up 12% and 20% from the previous quarter and the prior-year period, respectively; and
- While Bloom Lake's production capacity increased during the period, exceeding its expanded nameplate capacity, the rail operator did not haul at contracted levels. This haulage shortfall resulted in the inability to ship all of the iron ore concentrate produced during the period. Additionally, rail service was interrupted for several days after heavy rains in late December. Accordingly, iron ore concentrate stockpiled at Bloom Lake increased by 0.8 million wmt to 2.4 million wmt during the three-month period ended December 31, 2023. The Company is engaging with the rail operator to receive contracted haulage services to ensure that Bloom Lake's increased production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods.

Financial Results

- Revenues of $506.9 million for the three-month period ended December 31, 2023, up 44% compared to the same period in 2022, and up 31% from the previous quarter;
- Net cash flow from operating activities of $162.6 million for the three-month period ended December 31, 2023, compared to $13.4 million for the same period in 2022, and $162.2 million during the previous quarter;
- EBITDA of $246.6 million[1] for the three-month period ended December 31, 2023, up 109% compared to the same period in 2022, and up 59% compared to the previous quarter;
- Net income of $126.5 million with EPS of $0.24 for the three-month period ended December 31, 2023, compared to $51.4 million with EPS of $0.10 for the same period in 2022, and $65.3 million with EPS of $0.13 for the previous quarter;
- C1 cash cost of $73.0/dmt[1] (US$53.6/dmt)[2] for the three-month period ended December 31, 2023, compared to 76.0/dmt[1] (US$56.0/dmt)[2] for the same period in 2022, and $73.7/dmt[1] (US$55.0/dmt)[2] in the previous quarter;
- Strong cash position at quarter-end with $387.4 million in cash and cash equivalents as at December 31, 2023, an increase of $70.8 million since September 30, 2023, and $60.6 million since the beginning of the financial year;
- Procured a new US$230 million term loan, maturing in November 2028 with no principal repayment before June 2026 (the "Financing"). Repaid the US$180 million outstanding balance from the Company's existing US$400 million revolving facility, with the proceeds of the Financing, and extended its maturity from May 2026 to November 2027. The Financing significantly increased the Company's available liquidity to support organic growth opportunities, including the construction of the DRPF project over the next two years; and
- Available liquidity, including amounts available from the Company's credit facilities, totalling $937.6 million[1] at quarter-end, compared to $645.9 million[1] as at September 30, 2023, to support growth initiatives;

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection of this MD&A included in section 7 — Key Drivers.

3. Quarterly Highlights (continued)

Financial Results (continued)

- Paid the fifth semi-annual dividend of $0.10 per ordinary share on November 28, 2023, totalling $51.8 million. Additional details on the dividends and related tax information can be found on the Company's website at www.championiron.com under the section Investors – Dividend Information.

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

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

Direct Reduction Pellet Feed Project Update

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

Other Growth and Development

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

(Expressed in Canadian dollars, except where otherwise indicated)

4. Kami Project Study

Project Description

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

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

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

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

Economic Summary and Key Assumptions

KEY ASSUMPTION SUMMARY	UNIT		
Mineral reserves	M dmt	643	
Production life of mine	Years	25	
Average annual production	M dmt	8.6	
Average annual production wet	M wmt	9.0	
Average Fe In-situ grade to plant	%	29.2%	
Average Fe metallurgical recovery	%	76.4%	
Average concentrate grade sold	% Fe	DR quality iron ore above 67.5%	
Average stripping ratio	Waste:Ore	1.6	
MACROECONOMIC AND MARKET ASSUMPTIONS		C$	US$
P65 Index CFR China Iron ore price (Kami iron ore concentrate gross realized price is based on (i) P65 index and (ii) an additional premium for DR grade quality iron ore)	$/dmt	156.0	120.0
Average shipping cost	$/dmt	28.6	22.0
Average foreign exchange rate	C$:US$	1.30	
CAPITAL COSTS		C$	US$
Construction period	Months	48	
Initial CAPEX	M	3,864	2,972
OPERATING COST PER TONNE SOLD		C$	US$
Total cash cost (C1 Cost)	$/dmt	76.1	58.5
Total AISC	$/dmt	89.5	68.9

(Expressed in Canadian dollars, except where otherwise indicated)

4. Kami Project Study (continued)

Economic Summary and Key Assumptions (continued)

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

Mine

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

Concentrator Plant

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

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

Infrastructure and Regional Advantages

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

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

4. Kami Project Study (continued)

Tailings Management

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

DRPF Quality Iron Ore and Pricing

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

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

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

Project Timeline

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

Study and Qualified Persons

The Study will be filed under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com within 45 days of the date of this MD&A. The following Qualified Persons participated in the preparation of the Study:

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

Each of these Qualified Persons has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this MD&A that is relevant to their area of responsibility and verified the data underlying such technical information. Reference is made to the Study that will be filed under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

(Expressed in Canadian dollars, except where otherwise indicated)

4. Kami Project Study (continued)

Mineral Resource and Mineral Reserve Estimates

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

Mineral Resource Estimate

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

Notes on Mineral Resources:

1. *The Mineral Resource estimate described above has been prepared in accordance with the CIM Standards (Canadian Institute of Mining, Metallurgy and Petroleum, 2014) and follows the Best Practices Guidelines outlined by the CIM (2019).*
2. *The qualified person for this Mineral Resource Estimate is Christian Beaulieu, P.Geo., consultant for G Mining Services Inc. Mr. Beaulieu is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#10653) and of l'Ordre des géologues du Québec (#1072).*
3. *The effective date of the Mineral Resource Estimate is November 15, 2022.*
4. *The cut-off grade used to report Open Pit Mineral Resources is 15.0% total iron (TFe).*
5. *Density is applied by rock type and is related to the amount of iron in each block.*
6. *Pit optimization parameters are described as follows:*
   i. *Based on a P65 index iron price of US$115/dmt*
   ii. *Concentrate grade of 65.2% Fe*
   iii. *Exchange rate of 1.30 C$:US$*
   iv. *Metallurgical recoveries of 83.55%*
   v. *Mining costs of US$2.11/t mined*
   vi. *Total ore based costs of US$5.33/dmt*
   vii. *Overall slope angle varies from 48.4° to 51.6° for the footwall and hanging wall domains respectively.*
7. *Measured, indicated and inferred mineral resources have been defined mainly based on drill hole spacing.*
8. *Mineral resources (Rose Central, Rose North and Mills Lake combined) have a stripping ratio of 2.0:1 (W:O).*
9. *The tonnages and grades outlined above are reported inside a block model with parent block size of 10 m x 20 m x 10 m and subblocks of 5 m x 10 m x 5 m.*
10. *Tonnages have been expressed in the metric system and metal content as percentages. Totals may not add up due to rounding.*
11. *Mineral resources are not mineral reserves as they have not demonstrated economic viability. The quantity and grade of reported inferred mineral resources are uncertain in nature.*
12. *The qualified person is not aware of any factors or issues that materially affect the mineral resource estimate other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing, political factors and additional risk factors regarding indicated and inferred resources.*
13. *See the appendix to the Company's quarterly activities report filed on January 31, 2024, on the ASX at www.asx.com.au on January 31, 2024, for additional information regarding Joint Ore Reserves Committee ("JORC").*

(Expressed in Canadian dollars, except where otherwise indicated)

4. Kami Project Study (continued)

Mineral Resource and Mineral Reserve Estimates (continued)

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

Mineral Reserve Estimate

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

Notes on Mineral Reserves:

1. *The qualified person for this Mineral Reserve Estimate is Alexandre Dorval, mining engineer at G Mining Services Inc. Mr. Dorval is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#11042), of the Professional Engineers of Ontario (#100214598) and of l'Ordre des Ingénieurs du Québec (#5027189).*
2. *Mineral Reserves based on an updated Lidar dated September 2011.*
3. *Mineral Reserves are estimated using a long-term iron price reference price (Platt's 62%) of US$ 80/dmt and an exchange rate of 1.30 C$/US$. An Fe concentrate price adjustment of US$ 20/dmt was added as an iron grade premium.*
4. *The effective date of the Mineral Reserve Estimate is November 15, 2022.*
5. *Bulk density of ore is variable but averages 3.1 t/m^3.*
6. *Cut-Off Grade of 15% TotFe used to calculate reserves.*
7. *The average stripping ratio is 1.6:1 W:O.*
8. *The Mineral Reserve includes a 1.4% mining dilution.*
9. *The number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding; with rounding following the recommendations detailed in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").*
10. *See the appendix to the Company's quarterly activities report filed on January 31, 2024, on the ASX at www.asx.com.au on January 31, 2024, for additional information regarding Joint Ore Reserves Committee ("JORC").*

5. Direct Reduction Pellet Feed Project Update

In January 2023, the Company completed the DRPF project's study to upgrade the Bloom Lake Phase II plant to produce approximately 7.5 Mtpa of DRPF quality iron ore with up to 69% Fe with a combined silica and alumina content below 1.2%. The study proposed a 30-month construction period with estimated capital expenditures of $470.7 million, including additional power and port-related infrastructure, resulting in a NPV of $738.2 million and an IRR of 24.0% after tax. A cumulative initial budget of $62 million was approved by the Board in calendar year 2023 to advance the project and secure its potential commissioning for the second half of calendar year 2025.

With the allocation during the quarter of additional hydroelectric power from Hydro-Québec required for the project, and the available liquidity of $937.6 million as at December 31, 2023, the Board provided a final investment decision on January 30, 2024 (Montréal time), to complete the DRPF project. The final investment decision secures the project timeline with expected commissioning in the second half of calendar year 2025, a timeline which is subject to completing key construction milestones in mid-2024 calendar year.

The DRPF project aims to capitalize on the steel industry's focus on reducing emissions and its associated impact on the raw material supply chain. Accordingly, production of a 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 DRI and EAF steelmaking route, which reduces emissions in the steelmaking process by approximately half, compared to the traditional steelmaking route using BF and BOF methods. By producing the DRPF product required in the DRI-EAF steelmaking process, the Company would contribute to a reduction in the use of coal in the conventional BF-BOF steelmaking method, which would significantly reduce global emissions. Benefiting from a rare high-purity resource, the Company has a unique opportunity to produce one of the highest DRPF quality products available on the seaborne market, for which Champion expects to attract a substantial premium over the Company's current high-grade 66.2% Fe iron ore concentrate.

During the three-month period ended December 31, 2023, detailed engineering work and on-site activities in preparation for upcoming civil work programs continued, resulting in quarterly investments of $31.0 million and a cumulative investment of $59.9 million, as at December 31, 2023, with the project remaining on budget with estimated capital expenditures of $470.7 million, as detailed in the study released in January 2023. In addition, the Company completed the assembly of a new accommodation complex to fulfill lodging requirements during the upcoming construction period. Refer to section 11 — Cash Flows for investments made during the quarter.

Additional details on the DRPF project, including key assumptions and capital costs, can be found in the Company's press release dated January 26, 2023 (Montréal time), available under its profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and on the Company's website at www.championiron.com.

The Company is not aware of any new information or data that materially affects the information included in the DRPF project study and confirms that all material assumptions and technical parameters underpinning the estimates in the DRPF project study continue to apply and have not materially changed.

6. Green Steel Initiatives

With an increased focus on reducing GHG emissions in steelmaking processes, the steel industry is experiencing a structural shift in its production methods. This dynamic is expected to create additional demand for higher-purity iron ore products, as the industry transitions towards using reduction technologies to produce liquid iron, such as the use of DRI in EAF instead of traditional BF-BOF steelmaking. DR grade iron ore is generally pelletized to produce DR grade pellets. DR grade pellets are then processed in a DR reactor, removing oxygen from the iron oxide concentrate to produce metallic iron (DRI or HBI), which can be a substitute for or blended with scrap steel to produce steel in the EAF steelmaking method.

Accordingly, the Company advanced its research and development program aimed at developing technologies and products to support the steelmaking transition from the BF-BOF method to the DRI-EAF method, while supporting emissions reduction in the BF-BOF process.

The Company is an early investor and collaborator with Binding Solutions Limited, a private European-based company which holds a proprietary cold pelletizing technology. The objective of the cold pelletizing technology is to substantially reduce emissions linked to the agglomeration of iron ore. Laboratory results demonstrated that carbon emissions related to agglomeration could be reduced by more than 95% with this technology.

6. Green Steel Initiatives (continued)

Emissions Reduction Initiatives

As part of its ongoing efforts to minimize the environmental impact of its operations, the Company continued with its strategy to achieve its 2030 commitment to reduce the intensity of its GHG emissions by 40%, from its 2014 levels adjusted to consider Bloom Lake's increased nameplate capacity of 15 Mtpa and to be carbon neutral by 2050. Towards this effort, a working group identified emissions reduction initiatives and evaluated resources required to deploy a program to enable the Company to reach its GHG emissions reduction objectives. As the Company optimizes its Environmental, Social and Governance ("ESG") related disclosures and works to align with industry best practices, new objectives were detailed in its 2022 Sustainability Report, including disclosure on GHG reduction work programs designed to help the Company reach its 2030 and 2050 targets.

Acquisition of an Iron Ore Pelletizing Facility

On May 17, 2022, the Company entered into a definitive purchase agreement (the "Purchase Agreement") to acquire, via a wholly-owned subsidiary and upon satisfaction of certain conditions, the Pointe-Noire Iron Ore Pelletizing Facility located in Sept-Îles, adjacent to the port facilities. The Company also entered into a Memorandum of Understanding (the "MOU") with a major international steelmaker (the "Pellet Plant Partner") to complete a study to evaluate the re-commissioning of the Pellet Plant and produce DR grade pellets. The study will evaluate the investments required to re-commission the Pellet Plant while integrating up-to-date pelletizing and processing technologies. During the three-month period ended December 31, 2023, the study progressed significantly and the Company expects to complete the study in the near term.

The MOU sets out a framework for Champion and the Pellet Plant Partner to collaborate in order to complete the study, anticipated in the near term. Subject to the study's positive findings and results, the MOU outlines a framework for a joint venture to produce DR grade iron ore pellets to sell to third parties and the Pellet Plant Partner. Pursuant to the Purchase Agreement, Champion is required to comply with various undertakings in connection with the Pellet Plant, including a commitment to design and operate the project using electricity, natural gas, biofuels or renewable energy as main power sources.

7. Key Drivers

A. Iron Ore Concentrate Price

The price of iron ore concentrate is the most significant factor affecting the Company's financial results. As such, net income and cash flow from operating activities and the Company's development may, in the future, be significantly and adversely affected by a decline in the price of iron ore. The iron ore concentrate price fluctuates daily and is affected by several industries and macroeconomic factors beyond the Company's control. Due to the high-quality properties of its greater than 66% Fe iron ore concentrate, the Company's iron ore product has proven to attract a premium over the P62 index, widely used as the reference price in the industry. As such, the Company quotes its products based on the high-grade P65 index. The premium captured by the P65 index is attributable to steel mills recognizing that higher iron ore grades offer the benefit of optimizing output while also significantly decreasing CO_2 emissions in the steelmaking process.

During the three-month period ended December 31, 2023, the P65 index increased by 25%, compared to the corresponding period in 2022. This upward momentum can be attributed to numerous efforts by Beijing to bolster the economy, including additional support for the property and infrastructure sectors. In addition, the lack of restrictions on China's steel output, indicative of Beijing's emphasis on economic growth, further supported demand for iron ore. While supply by the iron ore industry majors declined year-over-year, ahead of the weaker seasonal period impacted by Brazil's rain season and Australia's typhoon season, the premium for high-grade iron ore continues to experience sustained pressure due to persistent economic weakness in Europe and the lack of environmental control for the steel industry in China.

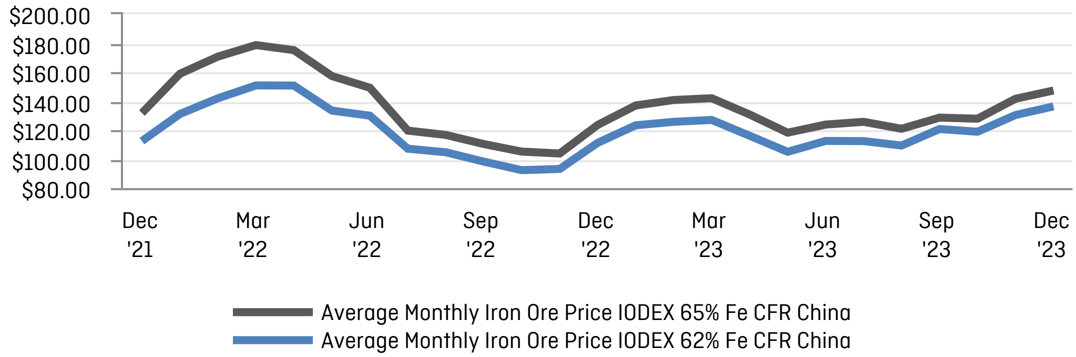
According to the World Steel Association[1], global crude steel production during the three-month period ended December 31, 2023, witnessed a decrease of 0.6% compared to the corresponding period in 2022, totalling 430.7 million tonnes. China's crude steel production for the period totalled 222.6 million tonnes, decreasing 5.5% compared to the previous year. The country therefore produced a total of 1.0 billion tonnes of crude steel in the 2023 calendar year, a 0.1% increase from 2022. The world ex-China recorded a year-over-year increase in crude steel production in the quarter, up 5.19% from 2022, totalling 208.1 million tonnes. The growth was positively impacted by increased steel production originating from Russia, Ukraine, and the Middle-East when, at the same time, European output faced a decline of 1.4%.

[1] https://www.worldsteel.org/

7. Key Drivers (continued)

A. Iron Ore Concentrate Price (continued)

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



A significant portion of Champion's iron ore concentrate sales contracts are structured on a provisional pricing basis, where the final sale price is determined using the iron ore price indices on or after the vessel's arrival at the port of discharge. The Company recognizes revenues from iron ore sales contracts upon vessel departure. In order to estimate the final sale price as assigned by sales contracts, the Company assigns a provisional price upon vessel departure. The estimated gross consideration in relation to the provisionally priced contracts is accounted for using the P65 index forward iron ore price at the expected settlement date. The impact of iron ore price fluctuations, compared to the estimated price at the last quarter-end, is accounted for as a provisional pricing adjustment to revenues. As the Company's sales are subject to freight routes that usually take up to 55 days before reaching customers, final price adjustments on tonnes in transit at each quarter-end, which are recorded using forward prices, are exposed to variations in iron ore index prices after the end of the quarter.

During the three-month period ended December 31, 2023, an average final price of US$135.4/dmt was established for the 1.3 million tonnes of iron ore that were in transit as at September 30, 2023, which were previously evaluated using an average expected price of US$125.9/dmt. Accordingly, during the three-month period ended December 31, 2023, positive pricing adjustments of $16.0 million (US$12.3 million) were recorded for tonnes subject to provisional prices as at September 30, 2023. For the total volume of 3.2 million dmt sold during the third quarter, the positive adjustments represent US$3.8/dmt. As at December 31, 2023, 1.8 million tonnes of iron ore sales remained subject to provisional pricing adjustments, with the final price to be determined in the subsequent reporting periods. A gross forward provisional price of US$149.6/dmt was used as at December 31, 2023, to estimate the sales that remain subject to final pricing.

The following table details the Company's gross revenue exposure, as at December 31, 2023, subject to the movements in iron ore price for the provisionally invoiced sales volume:

(in thousands of U.S. dollars)	**As at December 31, 2023**
Tonnes (dmt) subject to provisional pricing adjustments	**1,778,800**
10% increase in iron ore prices	**26,613**
10% decrease in iron ore prices	**(26,613)**

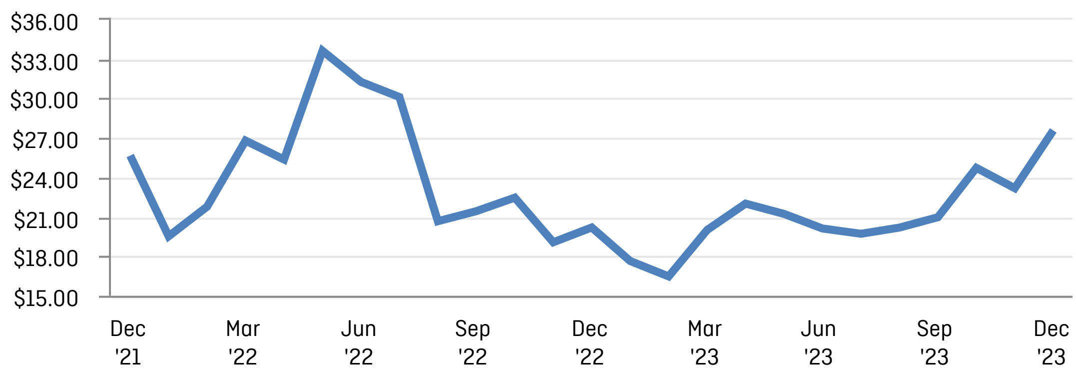
The sensitivities demonstrate the monetary impact on gross revenues in U.S. dollars resulting from a 10% increase and 10% decrease in gross realized selling prices as at December 31, 2023. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates will impact net realized FOB selling price in Canadian dollars. The above sensitivities should therefore be used with caution.

7. Key Drivers (continued)

B. Sea Freight

Sea freight is an important component of the Company's cost structure as it ships almost all of its iron ore concentrate to several regions overseas, including China, Japan, Europe, India, the Middle East and South Korea. The common reference route for dry bulk material from the Americas to Asia is the Tubarao (Brazil) to Qingdao (China) route which encompasses 11,000 nautical miles. The freight cost per tonne associated with this route is captured in the C3 index, which is considered the reference ocean freight cost for iron ore shipped from Brazil to Asia. There is no index for the route between the port of Sept-Îles (Canada) and China. This route totals approximately 14,000 nautical miles and is subject to different weather conditions during the winter season. Therefore, the freight cost per tonne associated with this voyage is higher than the C3 index price.

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



During the three-month period ended December 31, 2023, the average C3 index totalled US$24.9/t, compared to US$20.6/t for the same period in 2022, and US$20.3/t during the previous quarter. Atlantic freight prices surged to approximately US$35/t in late November and early December 2023 due to heightened demand from key iron ore export regions and re-routing of several industry vessels away from the Red Sea due to the ongoing conflict in the Middle-East before returning to more sustainable level at the end of the quarter.

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

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

C. Currency

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

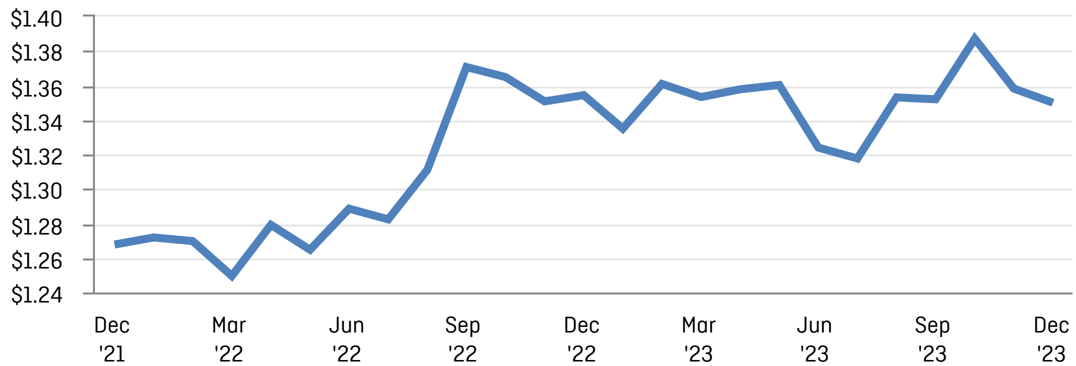
The strengthening of the U.S. dollar would positively impact the Company's net income and cash flows while the strengthening of the Canadian dollar would reduce its net income and cash flows. As the majority of the Company's long-term debt and lease liabilities are denominated in U.S. dollars, the Company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

(Expressed in Canadian dollars, except where otherwise indicated)

7. Key Drivers (continued)

C. Currency (continued)

Monthly Closing Exchange Rate – C$/US$



Exchange rates were as follows:

	C$ / US$					
	Average			Closing		
	FY2024	FY2023	Variance	**FY2024**	FY2023	Variance
Q1	**1.3430**	1.2768	5 %	**1.3240**	1.2886	3 %
Q2	**1.3411**	1.3056	3 %	**1.3520**	1.3707	(1)%
Q3	**1.3622**	1.3578	— %	**1.3226**	1.3544	(2)%
Q4		1.3526	— %		1.3533	— %
Year-end as at March 31		1.3230	— %		1.3533	— %

Apart from these key drivers and the risk factors that are described in the "Risk Factors" sections of the Company's 2023 Annual Information Form and the MD&A for the financial year ended March 31, 2023, Management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

8. Bloom Lake Mine Operating Activities

Phase II and Rail Capacity Update

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

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

(Expressed in Canadian dollars, except where otherwise indicated)

8. Bloom Lake Mine Operating Activities (continued)

Phase II and Rail Capacity Update (continued)

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

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

Impact of Forest Fires

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

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

Operational Performance

	Three Months Ended December 31,			**Nine Months Ended December 31,**		
	2023	2022	Variance	**2023**	2022	Variance
Operating Data						
Waste mined and hauled (wmt)	**6,993,200**	4,371,500	60%	**18,456,300**	14,550,400	27%
Ore mined and hauled (wmt)	**11,215,800**	8,840,400	27%	**31,402,900**	23,248,200	35%
Material mined and hauled (wmt)	**18,209,000**	13,211,900	38%	**49,859,200**	37,798,600	32%
Stripping ratio	**0.62**	0.49	27%	**0.59**	0.63	(6%)
Ore milled (wmt)	**11,137,000**	8,503,400	31%	**31,372,300**	22,628,300	39%
Head grade Fe (%)	**29.4**	28.5	3%	**28.8**	29.6	(3%)
Fe recovery (%)	**81.4**	80.1	2%	**79.2**	79.6	(1%)
Product Fe (%)	**66.3**	66.0	—%	**66.2**	66.1	—%
Iron ore concentrate produced (wmt)	**4,042,600**	2,962,500	36%	**10,887,000**	8,102,400	34%
Iron ore concentrate sold (dmt)	**3,227,500**	2,694,200	20%	**8,674,800**	7,501,500	16%

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year

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

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

8. Bloom Lake Mine Operating Activities (continued)

Operational Performance (continued)

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year

The iron ore head grade for the three-month period ended December 31, 2023, was 29.4%, compared to 28.5% for the same period in 2022, and 28.2% during the previous quarter. The variation in head grade was within expected normal variations in the mine plan.

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

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

First Nine Months of the 2024 Financial Year vs First Nine Months of the 2023 Financial Year

The Company mined and hauled 49.9 million tonnes of material since the beginning of the financial year, compared to 37.8 million tonnes for the same period in 2022, an increase of 32% driven mostly by additional operational mining equipment and improvement in effective utilization of mining equipment.

The stripping ratio was 0.59 for the nine-month period ended December 31, 2023, compared to 0.63 for the same period in 2022, slightly lower than the Company's plan for the year. In the beginning of the 2024 financial year, the Company strategically focused on mining ore with reduced mining equipment capacity and limited fuel reserves caused by supply challenges related to the June 2023 forest fires, as fuel inventories were prioritized for critical activities.

The iron ore head grade of 28.8% for the nine-month period ended December 31, 2023, was consistent with the LoM head grade average. The Fe recovery rate for the nine-month period ended December 31, 2023, was negatively impacted by processing more challenging ore from certain pit areas in the first half of the period, a strategic decision in the context of constrained rail services.

Despite the impact of an unscheduled outage related to a crusher ore belt failure in one of the Company's conveyor systems, which lasted several days in the second quarter, Bloom Lake processed 31.4 million tonnes of ore during the nine-month period ended December 31, 2023, an increase of 39% over the same period in 2022, and produced a record of 10.9 million wmt of high-grade iron ore concentrate, compared to 8.1 million wmt for the same period in 2022, as the Company progressed towards achieving nameplate capacity during the 2024 financial year.

9. Financial Performance

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
Financial Data (in thousands of dollars)						
Revenues	**506,891**	351,233	44%	**1,191,621**	931,175	28%
Cost of sales	**235,457**	209,070	13%	**656,526**	578,318	14%
Other expenses	**27,219**	23,780	14%	**67,056**	56,224	19%
Net finance costs	**8,747**	1,858	371%	**27,307**	16,813	62%
Net income	**126,462**	51,406	146%	**208,400**	112,490	85%
EBITDA[1]	**246,609**	118,206	109%	**467,450**	297,467	57%
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**195.8**	171.6	14%	**179.0**	171.2	5%
Net average realized selling price[1]	**157.1**	130.4	20%	**137.4**	124.1	11%
C1 cash cost[1]	**73.0**	76.0	(4%)	**75.7**	71.7	6%
AISC[1]	**83.9**	86.7	(3%)	**92.0**	86.7	6%
Cash operating margin[1]	**73.2**	43.7	68%	**45.4**	37.4	21%

A. Revenues

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
(in U.S. dollars per dmt sold)						
Index P62	**128.3**	99.0	30%	**117.8**	113.1	4%
Index P65	**138.7**	110.9	25%	**129.3**	128.5	1%
US$ Gross average realized selling price[1]	**144.0**	126.5	14%	**132.7**	130.5	2%
Freight and other costs	**(32.2)**	(29.0)	11%	**(28.4)**	(31.6)	(10%)
Provisional pricing adjustments	**3.8**	(1.4)	(371%)	**(2.4)**	(4.2)	(43%)
US$ Net average realized FOB selling price[1]	**115.6**	96.1	20%	**101.9**	94.7	8%
Foreign exchange rate conversion	**41.5**	34.3	21%	**35.5**	29.4	21%
C$ Net average realized FOB selling price[1]	**157.1**	130.4	20%	**137.4**	124.1	11%

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year

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

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

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

9. Financial Performance (continued)

A. Revenues (continued)

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year (continued)

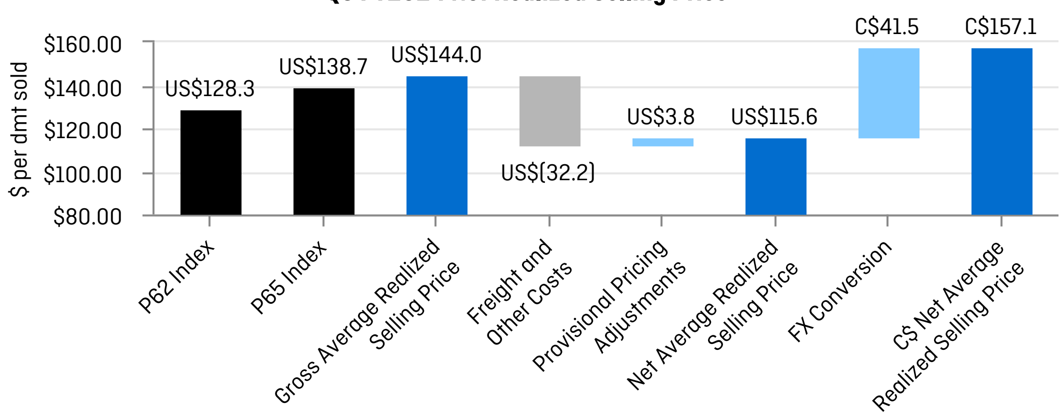
The gross average realized selling price of US$144.0/dmt[1] for the three-month period ended December 31, 2023, was higher than the P65 index average price of US$138.7/dmt for the period due to the 1.8 million tonnes in transit as at December 31, 2023, provisionally priced using an average forward price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

The average C3 index for the three-month period ended December 31, 2023, was US$24.9/t compared to US$20.6/t for the same period in 2022, representing an increase of 21%, which is higher than the increase in freight and other costs of 11%. Champion typically books vessels three to five weeks prior to the desired laycan period when contracting vessels on the spot market, which creates a delay between the freight paid and the C3 index. The effect of this delay is eventually reconciled since Champion ships its high-grade iron ore concentrate uniformly throughout the year. Freight and other costs during the three-month period ended December 31, 2023, were also impacted by higher demurrage expenses resulting from a combination of higher demurrage rates, compared to the same period last year, and lower than expected shipment.

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

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

Q3 FY2024 Net Realized Selling Price



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9. Financial Performance (continued)

A. Revenues (continued)

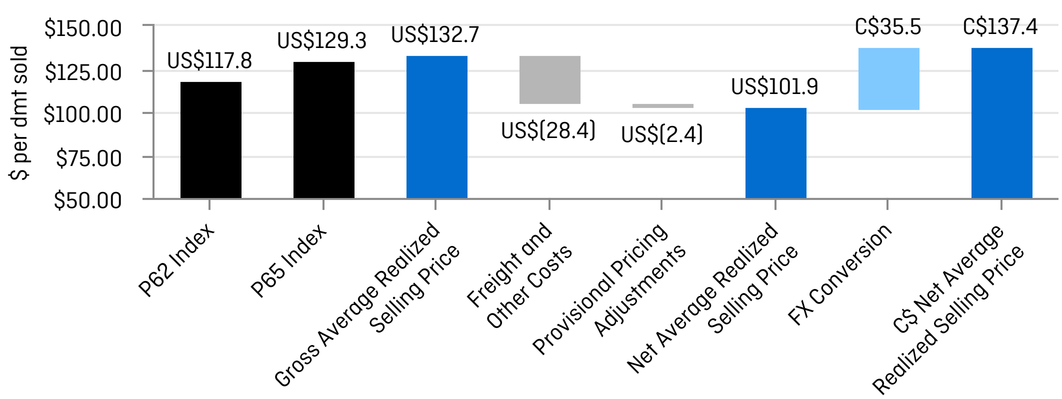
First Nine Months of the 2024 Financial Year vs First Nine Months of the 2023 Financial Year

Revenues totalled $1,191.6 million for the nine-month period ended December 31, 2023, compared to $931.2 million for the same period in 2022, due to higher sales of iron ore concentrate, higher net average realized selling prices and the weaker Canadian dollar over the same prior-year period.

For the nine-month period ended December 31, 2023, the Company sold 8.7 million tonnes of iron ore concentrate, compared to 7.5 million tonnes for the same prior-year period. This represents an increase of 16% year-over-year due to Phase II achieving commercial production in December 2022. Sales volume during the nine-month period ended December 31, 2023, was negatively impacted by twelve days of railway interruptions from May 30 to June 10, 2023, due to forest fires in Québec and reduced services extending into the early part of the quarter ended September 30, 2023. Shipments in the 2024 financial year were also impacted by planned and unplanned rail service interruptions, planned and unplanned maintenance activities at the port facilities and interruption of rail services for several days after a rain event in December. As the Company continuously seeks to optimize its operations, it is engaging with the rail operator to receive contracted haulage services to ensure that Bloom Lake's increased production is hauled to its customers over future periods, including the sale of iron ore concentrate currently stockpiled at Bloom Lake.

The high-grade iron ore P65 index price averaged US$129.3/dmt for the nine-month period ended December 31, 2023, comparable to the same period last year. The Company sold its product at a gross average realized selling price of US$132.7/dmt[1]. Benefiting from a premium product, the Company expects its iron ore concentrate pricing to continue tracking the P65 index in the long term. Deducting sea freight and other costs of US$28.4/dmt and the negative provisional pricing adjustments of US$2.4/dmt, the Company obtained a net average realized selling price of US$101.9/dmt (C$137.4/dmt)[1] for its high-grade iron ore concentrate.

FY2024 Net Realized Selling Price



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9. Financial Performance (continued)

B. Cost of Sales and C1 Cash Cost

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
(in thousands of dollars except per dmt sold)						
Iron ore concentrate produced (dmt)	**3,918,200**	2,870,900	36 %	**10,560,000**	7,856,100	34 %
Iron ore concentrate sold (dmt)	**3,227,500**	2,694,200	20 %	**8,674,800**	7,501,500	16 %
Mining and processing costs	**177,497**	157,342	13 %	**501,673**	384,776	30 %
Change in concentrate inventories	**(20,873)**	(21,055)	(1)%	**(75,795)**	(31,642)	140 %
Land transportation and port handling	**78,833**	68,491	15 %	**230,648**	184,880	25 %
C1 cash cost[1]	**235,457**	204,778	15 %	**656,526**	538,014	22 %
C1 cash cost per dmt sold[1]	**73.0**	76.0	(4)%	**75.7**	71.7	6 %
Incremental costs related to COVID-19	**—**	—	— %	**—**	1,145	(100)%
Bloom Lake Phase II start-up costs	**—**	4,292	(100)%	**—**	39,159	(100)%
Cost of sales	**235,457**	209,070	13 %	**656,526**	578,318	14 %
Cost of sales per dmt sold[1]	**73.0**	77.6	(6)%	**75.7**	77.1	(2)%
Mining and processing costs per dmt produced	**45.3**	54.8	(17)%	**47.5**	49.0	(3)%

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year

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

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

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

First Nine Months of the 2024 Financial Year vs First Nine Months of the 2023 Financial Year

For the nine-month period ended December 31, 2023, the cost of sales totalled $656.5 million, compared to $578.3 million for the same period in 2022, with C1 cash cost of $75.7/dmt[1], compared to $71.7/dmt[1] for the nine-month period ended December 31, 2022. The cost of sales and C1 cash cost for the nine-month period ended December 31, 2023, was impacted by the same factors that affected the cost of sales for the three-month period ended December 31, 2023.

Mining and processing costs for the 10.6 million dmt produced in the nine-month period ended December 31, 2023, totalled $47.5/dmt produced, compared to $49.0/dmt produced in the same prior-year period.

Due to the high stockpile levels at the mine site, attributable to constraints in railway services, the Company expects to incur additional rehandling costs to reclaim the iron ore concentrate from the stockpile and rail it to the port, which should negatively impact the cost of sales in future periods.

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9. Financial Performance (continued)

C. Gross Profit

The gross profit for the three-month period ended December 31, 2023, totalled $238.6 million, compared to $111.4 million for the same prior-year period, largely driven by the higher net average realized selling price of $157.1/dmt[1], compared to $130.4/dmt[1] for the three-month period ended December 31, 2022, higher sales volume and lower C1 cash costs.

The gross profit for the nine-month period ended December 31, 2023, totalled $441.1 million, compared to $274.3 million for the same period in 2022. The increase was driven by higher shipments, higher net average realized selling prices and lower cost of sales per dmt sold, partially offset by higher depreciation expenses with Phase II achieving commercial production in December 2022.

D. Other Expenses

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
(in thousands of dollars)						
Share-based payments	**6,154**	7,112	(13)%	**7,070**	5,071	39 %
G&A expenses	**11,206**	9,212	22 %	**36,884**	30,048	23 %
Sustainability and other community expenses	**4,699**	4,668	1 %	**12,983**	11,871	9 %
Innovation and growth initiative expenses	**5,160**	2,788	85 %	**10,119**	9,234	10 %
	27,219	23,780	14 %	**67,056**	56,224	19 %

Share-based payment expenses for the three and nine-month periods ended December 31, 2023, were impacted by the change in value of the related liability, which varies based on the price of the Company's shares at each reporting date.

G&A expenses were higher for the three and nine-month periods ended December 31, 2023, compared to the same periods in 2022 due to additional headcount and consulting fees required to support the Company's expanded capacity, and increased insurance premiums, reflecting Phase II achieving commercial production in December 2022. The following table details G&A expenses:

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
(in thousands of dollars)						
Salaries, benefits and other employee expenses	**5,926**	4,269	39 %	**19,351**	14,579	33 %
Insurance	**2,724**	2,446	11 %	**8,326**	7,333	14 %
Other	**2,556**	2,497	2 %	**9,207**	8,136	13 %
	11,206	9,212	22 %	**36,884**	30,048	23 %

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9. Financial Performance (continued)

D. Other Expenses (continued)

Sustainability and other community expenses for the three and nine-month periods ended December 31, 2023, were mostly in line with the previous year, with higher contributions relating to the impact and benefits agreement, after Phase II reached commercial production in December 2022 and personnel increased to support various ESG initiatives. The following table details sustainability and other community expenses:

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
(in thousands of dollars)						
Property and school taxes	**1,936**	1,904	2 %	**5,108**	4,955	3 %
Impact and benefits agreement	**1,840**	1,391	32 %	**5,616**	4,210	33 %
Salaries, benefits and other employee expenses	**381**	165	131 %	**934**	531	76 %
Other expenses	**542**	1,208	(55)%	**1,325**	2,175	(39)%
	4,699	4,668	1 %	**12,983**	11,871	9 %

During the three and nine-month periods ended December 31, 2023, the Company incurred innovation and growth initiative expenses of $5.2 million and $10.1 million, respectively, compared to $2.8 million and $9.2 million, respectively, for the same periods in 2022. The expenses for the three and nine-month periods ended December 31, 2023, were comprised of consultant fees, salaries and benefits mainly related to the Pointe-Noire Pellet Plant study. The Company's strategic initiatives are detailed in section 6 — Green Steel Initiatives.

E. Net Finance Costs

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
(in thousands of dollars)						
Interest on long-term debt	**8,809**	2,605	238 %	**25,873**	2,605	893 %
Standby commitment fees on long-term debt	**478**	366	31 %	**1,346**	1,687	(20)%
Interest expense on lease liabilities	**983**	896	10 %	**2,963**	2,616	13 %
Realized and unrealized foreign exchange loss (gain)	**(266)**	(2,416)	(89)%	**475**	8,111	(94)%
Interest income	**(3,547)**	(1,948)	82 %	**(9,945)**	(4,099)	143 %
Other finance costs	**2,290**	2,355	(3)%	**6,595**	5,893	12 %
	8,747	1,858	371 %	**27,307**	16,813	62 %

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year

Interest on long-term debt includes interest expense on the Senior Credit Facilities, equipment financing, and loans from *Investissement Québec* ("IQ Loan") and *Fonds de Solidarité des Travailleurs du Québec* ("FTQ Loan"). The Company capitalized borrowing costs on its DRPF and Phase II projects based on the investments to date and ceased capitalizing borrowing costs for Phase II upon achieving commercial production in December 2022. This contributed to higher interest expenses in the three-month period ended December 31, 2023, as most interest expenses were capitalized during the same period in 2022. During the three-month period ended December 31, 2023, $0.9 million was capitalized relating to the DRPF project, compared to $4.8 million for the same period in 2022 relating to the Phase II project. Higher interest paid during the period was also driven by increases in the base rate of the Company's Senior Credit Facilities and equipment financing; whereas the IQ Loan and FTQ Loan have a fixed rate over their full duration.

9. Financial Performance (continued)

E. Net Finance Costs (continued)

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year (continued)

During the three-month period ended December 31, 2023, the foreign exchange gain was attributable to the impact of the depreciation of the U.S. dollar against the Canadian dollar as at December 31, 2023, compared to September 30, 2023, on the net payable financial position denominated in U.S. dollars. The net payable financial position primarily includes the Company's borrowing under its Senior Credit Facilities, mining equipment financing, lease liabilities, accounts receivable and part of the Company's cash and cash equivalents denominated in U.S. dollars.

Higher interest income in the three-month period ended December 31, 2023, compared to the same period last year, is attributable to higher interest rates and a higher average cash balance.

First Nine Months of the 2024 Financial Year vs First Nine Months of the 2023 Financial Year

Net finance costs increased to $27.3 million for the nine-month period ended December 31, 2023, compared to $16.8 million for the same period in 2022. Higher net finance costs are mainly attributable to lower capitalized borrowing costs, due to the current level of investments in the DRPF project, compared to the Phase II expansion project during the same period last year. This was partially offset by a lower foreign exchange loss following the revaluation of the Company's net monetary liabilities denominated in U.S. dollars, and higher interest income.

F. Income Taxes

The Company and its subsidiaries are subject to tax in Australia and Canada. There is no deferred tax asset recognized in respect of the unused losses in Australia as the Company believes it is not probable that there will be a taxable profit available against which the losses can be used. QIO is subject to Québec mining taxes at a progressive tax rate based on mining profit margin as follows:

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

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.50% for the three and nine-month periods ended December 31, 2023 (2022: 26.50%).

During the three and nine-month periods ended December 31, 2023, current income and mining tax expenses totalled $53.9 million and $88.5 million, respectively, compared to $10.1 million and $29.3 million, respectively, for the same periods in 2022. The variation was mainly due to higher taxable income driven by higher gross profits.

With net tax installments of $10.2 million paid during the nine-month period ended December 31, 2023, the Company had net income and mining taxes payable of $40.4 million as at December 31, 2023, compared to a receivable balance of $37.9 million as at March 31, 2023.

During the three and nine-month periods ended December 31, 2023, deferred income and mining tax expenses totalled $24.7 million and $49.2 million, respectively, compared to $24.2 million and $60.3 million, respectively, for the same periods in 2022. The variation in deferred tax expenses was mainly attributable to temporary differences between the carrying amounts of property, plant and equipment and the tax basis.

The combined provincial and federal statutory tax and mining tax rate was 38%. The Company's effective tax rate ("ETR") was 38% and 40% for the three and nine-month periods ended December 31, 2023, compared to 40% and 44%, respectively, for the same periods in 2022.

(Expressed in Canadian dollars, except where otherwise indicated)

9. Financial Performance (continued)

G. Net Income & EBITDA

Third Quarter of the 2024 Financial Year vs Third Quarter of the 2023 Financial Year

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

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

First Nine Months of the 2024 Financial Year vs First Nine Months of the 2023 Financial Year

For the nine-month period ended December 31, 2023, the Company generated EBITDA of $467.5 million[1], representing an EBITDA margin of 39%[1], compared to $297.5 million[1], representing an EBITDA margin of 32%[1], for the same prior-year period. This year-over-year increase in EBITDA is mainly attributable to higher sales volume and net average realized selling price and lower cost of sales per dmt sold.

For the nine-month period ended December 31, 2023, the Company generated net income of $208.4 million (EPS of $0.40), compared to $112.5 million (EPS of $0.22) for the same prior-year period. The year-over-year increase in net income is mainly due to higher gross profit partially offset by higher current income and mining taxes.

H. All In Sustaining Cost & Cash Operating Margin

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2023	2022	Variance	**2023**	2022	Variance
(in dollars per dmt sold)						
Iron ore concentrate sold (dmt)	**3,227,500**	2,694,200	20 %	**8,674,800**	7,501,500	16 %
Net average realized selling price[1]	**157.1**	130.4	20 %	**137.4**	124.1	11 %
C1 cash cost[1]	**73.0**	76.0	(4)%	**75.7**	71.7	6 %
Sustaining capital expenditures	**7.4**	7.2	3 %	**12.0**	11.0	9 %
G&A expenses	**3.5**	3.5	— %	**4.3**	4.0	8 %
AISC[1]	**83.9**	86.7	(3)%	**92.0**	86.7	6 %
Cash operating margin[1]	**73.2**	43.7	68 %	**45.4**	37.4	21 %

During the three-month period ended December 31, 2023, the Company realized an AISC of $83.9/dmt[1], compared to $86.7/dmt[1] for the same period in 2022. The decrease was attributable to lower C1 cash costs which benefited from Bloom Lake achieving nameplate capacity, partially offset by slightly higher sustaining capital expenditures. Refer to section 11 — Cash Flows for details on sustaining capital expenditures.

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

During the nine-month period ended December 31, 2023, the Company recorded an AISC of $92.0/dmt[1], compared to $86.7/dmt[1] for the same period in 2022. The increase was due to higher C1 cash costs as well as higher sustaining capital expenditures and G&A expenses per dmt sold.

The cash operating margin totalled $45.4/dmt[1] for the nine-month period ended December 31, 2023, compared to $37.4/dmt[1] for the same prior-year period. The variation is due to higher net average realized selling price, partially offset by a higher AISC.

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

10. Exploration Activities and Regional Growth

Bloom Lake Mineral Resources and Reserves Update

The 2023 Technical Report, which was filed on October 3, 2023, confirmed the 18-year LoM based on the mineral reserves with an average LoM yearly production of 15.2 million wmt of high-purity iron ore concentrate at 66.2% Fe, an average iron metallurgical recovery of 82.0% and plant feed grade of 28.6% Fe. The 2023 Technical Report also confirmed an expansion opportunity in connection with a 40% increase to the measured and indicated resources and a 360% increase to the inferred resources.

The Company is not aware of any new information or data that materially affects the information included in the 2023 Technical Report and confirms that all material assumptions and technical parameters underpinning the estimates in the 2023 Technical Report continue to apply and have not materially changed.

The 2023 Technical Report can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

Exploration and Evaluation Activities

During the three and nine-month periods ended December 31, 2023, the Company maintained all of its properties in good standing and did not enter into any farm-in/farm-out arrangements. During the three and nine-month periods ended December 31, 2023, $5.8 million and $13.1 million in exploration and evaluation expenditures were incurred, respectively, compared to $3.8 million and $6.8 million, respectively, for the same prior-year periods. During the three and nine-month periods ended December 31, 2023, exploration and evaluation expenditures mainly consisted of costs associated with work related to updating the Kami Project feasibility study (refer to section 4 — Kami Project Study), claim renewal fees and claim staking around the Kami property. In addition, the Company completed a 1,400 m diamond drill campaign for hydrogeological characterization. Details on exploration projects and maps are available on the Company's website at www.championiron.com under the section Operations & Projects.

11. Cash Flows

The following table summarizes cash flow activities:

	Three Months Ended December 31,		**Nine Months Ended December 31,**	
	2023	2022	**2023**	2022
(in thousands of dollars)				
Operating cash flows before working capital	**189,002**	113,157	**363,968**	268,575
Changes in non-cash operating working capital	**(26,379)**	(99,717)	**10,150**	(200,313)
Net cash flow from operating activities	**162,623**	13,440	**374,118**	68,262
Net cash flow used in investing activities	**(106,697)**	(60,084)	**(268,083)**	(220,871)
Net cash flow from (used in) financing activities	**17,821**	(61,365)	**(39,992)**	(17,606)
Net increase (decrease) in cash and cash equivalents	**73,747**	(108,009)	**66,043**	(170,215)
Effects of exchange rate changes on cash and cash equivalents	**(2,904)**	(2,863)	**(5,476)**	14,309
Cash and cash equivalents, beginning of period	**316,530**	276,858	**326,806**	321,892
Cash and cash equivalents, end of period	**387,373**	165,986	**387,373**	165,986
Operating cash flow per share[1]	**0.31**	0.03	**0.72**	0.13

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

11. Cash Flows (continued)

Operating

During the three-month period ended December 31, 2023, the Company generated operating cash flows of $189.0 million before working capital items, up $75.8 million, compared to $113.2 million for the same period last year, with higher EBITDA partially offset by higher current income and mining taxes. Changes in non-cash operating working capital for the three-month period ended December 31, 2023, were mainly impacted by higher trade receivables due to increased shipments during the quarter and higher iron ore index prices compared to the previous quarter. In addition, the high level of iron ore concentrate inventories driven by reduced rail services was partially offset by higher accounts payable. The changes in non-cash operating working capital for the three-month period ended December 31, 2023, were also impacted by a higher income and mining taxes payable balance. The operating cash flow per share for the three-month period ended December 31, 2023, was $0.31[1], compared to $0.03[1] for the same prior-year period.

During the nine-month period ended December 31, 2023, the Company's operating cash flows before working capital items totalled $364.0 million, compared to $268.6 million for the same prior-year period. The variation is driven by higher EBITDA, partially offset by higher current income and mining taxes. Changes in non-cash operating working capital for the nine-month period ended December 31, 2023, were mainly impacted by the net variation in income and mining taxes outstanding balance and higher accounts payable associated with property, plant and equipment, partially offset by the high level of iron ore concentrate inventories. Last year's changes in working capital were mainly affected by an excess of tax installments paid compared to the tax expense owed, an increase in stockpiled ore inventories to support Phase II ramp-up production and concentrate inventories, higher trade receivables driven by an increased volume of concentrate sold, as well as the timing of payments for rail transportation services. The operating cash flow per share for the nine-month period ended December 31, 2023, totalled $0.72[1], compared to $0.13[1] for the same prior-year period, whereby in the prior-year operating cash flows were negatively impacted by an increase in working capital.

Investing

i. Purchase of Property, Plant and Equipment

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

Sustaining Capital Expenditures

The increases in tailings-related investments for the three and nine-month periods ended December 31, 2023, are part of the Company's long-term plan to prepare the site for a higher level of operations with the commissioning of Phase II. As part of the Company's ongoing and thorough tailings infrastructure monitoring and inspections, the Company continues to invest in its safe tailings strategy and is implementing its long-term tailings investment plan. The Company's tailings work programs are typically completed in the first half of the financial year due to more favourable weather conditions.

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

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

11. Cash Flows (continued)

Investing (continued)

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

Sustaining Capital Expenditures (continued)

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

DRPF Project

During the three and nine-month periods ended December 31, 2023, $31.0 million and $59.0 million, respectively, were spent in capital expenditures related to the DRPF project. Investments mainly consisted of on-site preparation activities, engineering work, long lead-time equipment purchasing and the construction of a lodging complex. Cumulative investments of $59.9 million were deployed on the DRPF project as at December 31, 2023, with an estimated capital expenditure of $470.7 million, as per the study released in January 2023.

Other Capital Development Expenditures at Bloom Lake

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

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

ii. Other Main Investing Activities

During the three-month period ended December 31, 2023, the Company invested $5.8 million in exploration and evaluation assets, compared to $3.8 million for the same prior-year period. Refer to section 10 — Exploration Activities and Regional Growth.

During the nine-month period ended December 31, 2023, the Company made advance payments of $11.5 million to third-party service providers in Sept-Îles for major replacement parts and asset improvement capital expenditures, compared to $30.0 million in the same period in 2022. During the nine-month period ended December 31, 2023, the Company invested $13.1 million in exploration and evaluation assets, compared to $6.8 million for the same prior-year period. During the nine-month period ended December 31, 2022, the restricted account of $43.7 million (US$35.0 million) for potential Phase II project cost overruns was released, as well as $31.1 million in short-term investments.

Financing

During the three-month period ended December 31, 2023, the Company drew down $310.7 million from the Senior Credit Facilities and $10.4 million from the Caterpillar Financial Services Limited equipment facility ("CAT Financing"), and repaid $248.8 million, mainly in connection with the revolving facility and the funding of mining equipment. During the same prior-year period, the Company drew down $10.0 million on the IQ Loan, $45.0 million on the FTQ Loan, and $22.7 million on the CAT Financing and repaid $85.3 million on its CAT Financing and Revolving Facility. During the three-month period ended December 31, 2023, the Company also paid a dividend to its shareholders totalling $51.8 million, compared to $51.7 million for the same prior-year period.

During the nine-month period ended December 31, 2023, the Company made a net drawdown of $71.6 million, compared to $92.2 million in the same prior-year period. In addition, during the nine-month periods ended December 31, 2023 and 2022, the Company made two dividend payments to its shareholders totalling $103.4 million and $103.3 million, respectively.

12. Financial Position

The following table details the changes to the statements of financial position as at December 31, 2023, compared to March 31, 2023:

	As at December 31, 2023	As at March 31, 2023	Variance
(in thousands of dollars)			
Cash and cash equivalents	**387,373**	326,806	19%
Receivables	**181,208**	162,268	12%
Inventories	**284,094**	167,670	69%
Other current assets	**47,441**	81,275	(42%)
Total current assets	**900,116**	738,019	22%
Advance payments	**83,150**	166,943	(50%)
Property, plant and equipment	**1,492,200**	1,261,968	18%
Exploration and evaluation assets	**130,199**	117,127	11%
Other non-current assets	**29,031**	31,212	(7%)
Total assets	**2,634,696**	2,315,269	14%
Total current liabilities	**316,127**	205,658	54%
Long-term debt	**504,595**	448,201	13%
Lease liabilities	**69,321**	73,430	(6%)
Rehabilitation obligation	**85,041**	85,508	(1%)
Deferred tax liabilities	**264,923**	215,727	23%
Other non-current liabilities	**24,723**	24,041	3%
Total liabilities	**1,264,730**	1,052,565	20%
Total equity	**1,369,966**	1,262,704	8%
Total liabilities and equity	**2,634,696**	2,315,269	14%

Assets

The change in the Company's cash and cash equivalents balance on December 31, 2023, compared to the amount held on March 31, 2023, is detailed in section 11 — Cash Flows.

The increase in receivables for the nine-month period ended December 31, 2023, was mainly attributable to higher sales tax receivables attributable to higher capital expenditures in the three-month period ended December 31, 2023, compared to the fourth quarter of the 2023 financial year.

Higher inventories were mainly attributable to the increase in concentrate inventories due to lower shipment volumes, compared to production volumes, attributable to reduced railway services and an increase in spare parts to support Phase II expansion.

The decrease in other current assets was mainly due to income and mining taxes receivable of $37.9 million as at March 31, 2023, compared to a payable balance as at December 31, 2023.

The increase in property, plant and equipment is detailed in section 11 — Cash Flows. In addition, the increase in property, plant and equipment is attributable to the reclassification of third-party transshipment infrastructure from non-current advance payments as at March 31, 2023, to right-of-use assets as at December 31, 2023, and the commissioning of three additional locomotives during the period to support higher production volume.

Liabilities and Equity

The increase in current liabilities was mainly related to higher trade payables associated with third-party Phase II cost overruns and due to the timing of supplier payments, and income and mining taxes payable of $40.4 million, compared to the receivable balance as at March 31, 2023.

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

The change in total equity is mainly attributable to net income during the nine-month period ended December 31, 2023, and the dividend payments on the Company's ordinary shares.

12. Financial Position (continued)

Liquidity

The Company is well positioned to fund all of its cash requirements for the next 12 months from its existing cash balance, forecasted cash flows from operating activities and undrawn available credit facilities. As at December 31, 2023, the Company held $387.4 million in cash and cash equivalents, and has $550.3 million in undrawn loans for a total available liquidity of $937.6 million[1].

	As at December 31, 2023
(in thousands of dollars)	
Senior Credit Facilities	**529,040**
Caterpillar Financial Services Limited	**21,213**
Total available and undrawn loans	**550,253**

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

- Sustaining and other capital expenditures;
- Expenditures in relation with the DRPF project;
- Semi-annual dividend payments to shareholders, if declared;
- Capital repayments related to lease liabilities, CAT Financing and IQ Loan; and
- Payment of mining and income taxes.

13. Financial Instruments

The nature and extent of risks arising from the Company's financial instruments are summarized in note 26 to the audited annual financial statements for the financial year ended March 31, 2023.

14. Contingencies

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

15. Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

Contractual Obligations and Commitments

The following are the contractual maturities of the Company's liabilities segmented by period, with estimated future interest payments and the future minimum payments of the commitments, as at December 31, 2023:

(in thousands of dollars)	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	**233,350**	**—**	**—**	**233,350**
Long-term debt, including capital and future interest payment	**71,401**	**605,748**	**34,083**	**711,232**
Lease liabilities, including future interest	**9,241**	**27,203**	**77,319**	**113,763**
Cash-settled share-based payment liability	**5,400**	**9,645**	**—**	**15,045**
Commitments as per note 18 to the Financial Statements	**94,696**	**99,004**	**262,175**	**455,875**
	414,088	**741,600**	**373,577**	**1,529,265**

15. Contractual Obligations, Commitments and Off-Balance Sheet Arrangements (continued)

Contractual Obligations and Commitments (continued)

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

In relation to the acquisition of the Kami Project and contingent upon it advancing to commercial production, the Company is subject to:

- A gross sales royalty to Altius Resources Inc. on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products;
- Finite production payments on future production;
- Education and training fund for local communities; and
- Special tax payment to the Government of Newfoundland and Labrador's Department of Finance.

The Company is also subject to a limited production payment on its Consolidated Fire Lake North, Lac Lamêlée, Moiré Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

Other Off-Balance Sheet Arrangements

The undrawn portion of the revolving facility totalled $529.0 million (US$400.0 million) as at December 31, 2023, and is subject to standby commitment fees.

As at December 31, 2023, the undrawn portion of the finance agreement with Caterpillar Financial Services Limited amounted to $21.2 million (US$16.0 million) and is also subject to standby commitment fees.

16. Critical Accounting Estimates and Judgments

The Company's significant accounting judgments, estimates and assumptions are summarized in note 2 to the Company's audited annual financial statements for the financial year ended March 31, 2023.

17. New Accounting Standards Issued and Adopted by the Company

The new accounting standards issued and adopted by the Company are disclosed in note 2 to the Financial Statements for the three and nine-month periods ended December 31, 2023.

18. New Accounting Amendments Issued to Be Adopted at a Later Date

The new accounting standards issued but not yet in effect are disclosed in note 2 to the Financial Statements for the three and nine-month periods ended December 31, 2023.

19. Related Party Transactions

Related party transactions consist of transactions with key management personnel. The Company considers its members of the Board and senior officers to be key management personnel.

Transactions with key management personnel are disclosed in note 28 to the Company's audited annual financial statements for the financial year ended March 31, 2023. In connection with related party transactions, no significant changes occurred in the three and nine-month periods ended December 31, 2023.

20. Summary of Quarterly Results

The following information is derived from and should be read in conjunction with the Financial Statements for the three and nine-month periods ended December 31, 2023, and the unaudited interim consolidated financial statements for the previous quarters as well as with the audited annual financial statements for the financial year ended March 31, 2023.

The Company's financial year ends on March 31. All financial data is stated in millions of dollars except for EPS and adjusted EPS.

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Financial Data ($ millions)								
Revenues	506.9	387.6	297.2	463.9	351.2	300.6	279.3	331.4
Operating income	211.3	123.6	39.1	153.2	87.7	55.9	74.5	173.7
EBITDA[1]	246.6	155.0	65.8	195.7	118.2	84.3	94.9	197.9
Net income	126.5	65.3	16.7	88.2	51.4	19.5	41.6	115.7
Adjusted net income[1]	126.5	65.3	19.0	88.2	54.1	29.3	54.1	121.3
EPS - basic	0.24	0.13	0.03	0.17	0.10	0.04	0.08	0.23
EPS - diluted	0.24	0.12	0.03	0.17	0.10	0.04	0.08	0.22
Adjusted EPS - basic[1]	0.24	0.13	0.04	0.17	0.10	0.06	0.10	0.24
Net cash flow (used in) from operating activities	162.6	162.2	49.3	167.7	13.4	87.1	(32.2)	4.3
Operating Data								
Waste mined and hauled (thousands of wmt)	6,993	6,265	5,199	5,024	4,372	4,573	5,606	5,072
Ore mined and hauled (thousands of wmt)	11,216	10,594	9,594	9,194	8,840	8,215	6,193	5,388
Stripping ratio	0.62	0.59	0.54	0.55	0.49	0.56	0.91	0.94
Ore milled (thousands of wmt)	11,137	10,340	9,896	9,055	8,503	8,103	6,022	4,904
Head grade Fe (%)	29.4	28.2	28.8	28.4	28.5	29.5	31.0	30.3
Fe recovery (%)	81.4	77.8	78.2	78.6	80.1	78.6	80.2	82.7
Product Fe (%)	66.3	66.1	66.1	66.1	66.0	66.1	66.1	66.2
Iron ore concentrate produced (thousands of wmt)	4,043	3,447	3,397	3,084	2,963	2,857	2,283	1,869
Iron ore concentrate sold (thousands of dmt)	3,228	2,884	2,564	3,093	2,694	2,793	2,014	1,890
Statistics (in dollars per dmt sold)								
Gross average realized selling price[1]	195.8	169.4	168.8	183.2	171.6	157.0	190.4	207.1
Net average realized selling price[1]	157.1	134.4	115.9	150.0	130.4	107.6	138.7	175.3
C1 cash cost[1]	73.0	73.7	81.3	79.0	76.0	65.9	74.0	60.0
AISC[1]	83.9	99.1	94.1	85.7	86.7	81.9	93.5	70.5
Cash operating margin[1]	73.2	35.3	21.8	64.3	43.7	25.7	45.2	104.8
Statistics (in U.S. dollars per dmt sold)[2]								
Gross average realized selling price[1]	144.0	126.2	125.7	135.5	126.5	120.6	149.6	164.1
Net average realized selling price[1]	115.6	100.3	86.3	110.9	96.1	83.2	108.8	139.1
C1 cash cost[1]	53.6	55.0	60.5	58.4	56.0	50.5	58.0	47.4
AISC[1]	61.6	73.9	70.1	63.4	63.9	62.7	73.2	55.7
Cash operating margin[1]	54.0	26.4	16.2	47.5	32.2	20.5	35.6	83.4

[1] This is a non-IFRS financial measure, ratio or other financial measure. The measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 21 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection of this MD&A included in section 7 — Key Drivers.

21. Non-IFRS and Other Financial Measures

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

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

Non-IFRS and Other Financial Measures	
Non-IFRS Financial Measures	
EBITDA	Earnings before income and mining taxes, net finance costs and depreciation
Adjusted net income	Net income plus incremental costs related to COVID-19 and Bloom Lake Phase II start-up costs, less gain on disposal of non-current investments, plus write-off of non-current investment and the related tax effect of these items
Available liquidity	Cash and cash equivalents plus short-term investments plus undrawn amounts under credit facilities
Non-IFRS Ratios	
EBITDA margin	EBITDA as a percentage of revenues
Adjusted EPS	Adjusted net income per basic weighted average number of ordinary shares outstanding
C1 cash cost per dmt sold	Cost of sales before incremental costs related to COVID-19 and Bloom Lake Phase II start-up costs divided by iron ore concentrate sold in dmt
AISC per dmt sold	C1 cash cost plus sustaining capital expenditures and G&A expenses divided by iron ore concentrate sold in dmt
Cash operating margin	Net average realized selling price less AISC
Gross average realized selling price per dmt sold	Revenues before provisional pricing adjustments and freight and other costs divided by iron ore concentrate sold in dmt
Cash profit margin	Cash operating margin as a percentage of net average realized selling price
Other Financial Measures	
Net average realized selling price or net average realized FOB selling price per dmt sold	Revenues divided by iron ore concentrate sold in dmt
Cost of sales per dmt sold	Cost of sales divided by iron ore concentrate sold in dmt
Operating cash flow per share	Net cash flow from (used in) operating activities per basic weighted average number of ordinary shares outstanding

21. Non-IFRS and Other Financial Measures (continued)

EBITDA and EBITDA Margin

EBITDA is a non-IFRS financial measure that allows comparability of operating results from one period to another by excluding the effects of items that are usually associated with investing and financing activities. EBITDA is not necessarily indicative of operating profit or cash flows from operating activities as determined under IFRS. For simplicity and comparative purposes, the Company did not exclude non-cash share-based payments, Bloom Lake Phase II start-up costs, COVID-19-related expenditures and other income or expenses.

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

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2023	2023	2023	**2023**	**2023**
(in thousands of dollars)					
Income before income and mining taxes	144,457	28,966	112,187	**204,981**	**346,134**
Net finance costs	8,774	6,926	11,634	**8,747**	**27,307**
Depreciation	42,478	29,913	31,215	**32,881**	**94,009**
EBITDA	195,709	65,805	155,036	**246,609**	**467,450**
Revenues	463,913	297,162	387,568	**506,891**	**1,191,621**
EBITDA margin	42%	22%	40%	**49%**	**39%**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2022	2022	2022	2022	2022
(in thousands of dollars)					
Income before income and mining taxes	181,312	70,948	45,511	85,629	202,088
Net finance costs	2,269	4,190	10,765	1,858	16,813
Depreciation	14,357	19,792	28,055	30,719	78,566
EBITDA	197,938	94,930	84,331	118,206	297,467
Revenues	331,376	279,321	300,621	351,233	931,175
EBITDA margin	60%	34%	28%	34%	32%

Adjusted Net Income and Adjusted EPS

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

In line with the Government of Québec's directives, the Company implemented several measures in its efforts to mitigate risks related to the COVID-19 pandemic. Incremental costs related to COVID-19 were mainly comprised of on-site COVID-19 testing and laboratory costs, incremental costs for cleaning and disinfecting facilities, premium payroll costs from adjusted work schedules and additional transportation costs. These costs did not include the inefficiency costs associated with the COVID-19 pandemic across all areas of the Company's operations.

21. Non-IFRS and Other Financial Measures (continued)

Adjusted Net Income and Adjusted EPS (continued)

Pre-commercial start-up costs for the Phase II project were mainly related to staff mobilization and training costs, and since the commissioning of Phase II, it also included abnormal operational costs attributable to the facility not having reached the normalized level of output. Phase II start-up costs were presented in other expenses in the consolidated statements of income before the commissioning and thereafter in the cost of sales. Management believes these items have a disproportionate impact on the results for the periods.

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

	March 31, 2023	June 30, 2023	September 30, 2023	**Three Months Ended December 31, 2023**	**Nine Months Ended December 31, 2023**
(in thousands of dollars except per share)					
Net income	88,217	16,657	65,281	**126,462**	**208,400**
Non-cash item					
Write-off of non-current investment	—	2,744	—	**—**	**2,744**
	—	2,744	—	**—**	**2,744**
Tax effect of adjustments listed above[1]	—	(370)	—	**—**	**(370)**
Adjusted net income	88,217	19,031	65,281	**126,462**	**210,774**
Weighted average number of ordinary shares outstanding - Basic	517,193,000	517,193,000	517,258,000	**517,761,000**	**517,405,000**
Adjusted EPS	0.17	0.04	0.13	**0.24**	**0.41**

	March 31, 2022	June 30, 2022	September 30, 2022	Three Months Ended December 31, 2022	Nine Months Ended December 31, 2022
(in thousands of dollars except per share)					
Net income	115,653	41,554	19,530	51,406	112,490
Cash items					
Incremental costs related to COVID-19	3,310	840	305	—	1,145
Bloom Lake Phase II start-up costs	5,965	19,476	15,391	4,292	39,159
	9,275	20,316	15,696	4,292	40,304
Tax effect of adjustments listed above[1]	(3,617)	(7,720)	(5,964)	(1,631)	(15,315)
Adjusted net income	121,311	54,150	29,262	54,067	137,479
Weighted average number of ordinary shares outstanding - Basic	511,237,000	516,691,000	517,104,000	517,193,000	516,997,000
Adjusted EPS	0.24	0.10	0.06	0.10	0.27

[1] The tax effect of adjustments is calculated using the applicable tax rate.

21. Non-IFRS and Other Financial Measures (continued)

Available Liquidity

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

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

C1 Cash Cost per dmt Sold

C1 cash cost per dmt is a common financial performance measure in the iron ore mining industry. Champion reports C1 cash cost on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company's performance and ability to generate operating earnings and cash flows from its mining operations. This measure also enables investors to better understand the performance of the Company's iron ore operations in comparison with other iron ore producers who present results on a similar basis. Management uses this metric as an important tool to monitor operating cost performance. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. The cost of sales includes production costs such as mining, processing and mine site-related G&A expenses, as well as rail and port operating costs, and is adjusted to exclude incremental costs related to COVID-19 and Bloom Lake Phase II start-up costs presented in cost of sales from the Phase II commissioning in April 2022 to the commencement of commercial production. Depreciation expense is not a component of C1 cash cost.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2023	2023	2023	**2023**	**2023**
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	**3,227,500**	**8,674,800**
(in thousands of dollars except per tonne)					
Cost of sales	244,444	208,485	212,584	**235,457**	**656,526**
C1 cash cost (per dmt sold)	79.0	81.3	73.7	**73.0**	**75.7**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2022	2022	2022	2022	2022
Iron ore concentrate sold (dmt)	1,889,900	2,013,900	2,793,400	2,694,200	7,501,500
(in thousands of dollars except per tonne)					
Cost of sales	116,658	169,407	199,841	209,070	578,318
Less: Incremental costs related to COVID-19	(3,310)	(840)	(305)	—	(1,145)
Less: Bloom Lake Phase II start-up costs	—	(19,476)	(15,391)	(4,292)	(39,159)
	113,348	149,091	184,145	204,778	538,014
C1 cash cost (per dmt sold)	60.0	74.0	65.9	76.0	71.7

21. Non-IFRS and Other Financial Measures (continued)

All-In Sustaining Cost

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

The Company calculates AISC as the sum of C1 cash costs, sustaining capital, including deferred stripping costs, and G&A expenses divided by the iron ore concentrate sold, to arrive at a per dmt figure. The AISC excludes the incremental costs related to COVID-19 and the Bloom Lake Phase II start-up costs that are included in the cost of sales. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital. The sustaining capital included in the AISC calculation excludes development capital expenditures such as capacity increase projects and studies for future expansion projects.

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2023	2023	2023	**2023**	**2023**
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	**3,227,500**	**8,674,800**
(in thousands of dollars except per tonne)					
Cost of sales	244,444	208,485	212,584	**235,457**	**656,526**
Sustaining capital expenditures[1]	9,303	19,803	60,446	**24,031**	**104,280**
G&A expenses	11,466	12,949	12,729	**11,206**	**36,884**
	265,213	241,237	285,759	**270,694**	**797,690**
AISC (per dmt sold)	85.7	94.1	99.1	**83.9**	**92.0**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2022	2022	2022	2022	2022
Iron ore concentrate sold (dmt)	1,889,900	2,013,900	2,793,400	2,694,200	7,501,500
(in thousands of dollars except per tonne)					
Cost of sales	116,658	169,407	199,841	209,070	578,318
Less: Incremental costs related to COVID-19	(3,310)	(840)	(305)	—	(1,145)
Less: Bloom Lake Phase II start-up costs	—	(19,476)	(15,391)	(4,292)	(39,159)
Sustaining capital expenditures[1]	11,743	26,945	36,181	19,495	82,621
G&A expenses	8,094	12,272	8,564	9,212	30,048
	133,185	188,308	228,890	233,485	650,683
AISC (per dmt sold)	70.5	93.5	81.9	86.7	86.7

[1] Purchase of property, plant and equipment as per the consolidated statements of cash flows are classified into sustaining capital expenditures and other capital development expenditures at Bloom Lake. Sustaining capital expenditures are defined as capital expenditures to sustain or maintain the existing assets to achieve operations as per the mine plan, from which future economic benefits will be derived. Refer to section 11 — Cash Flows of this MD&A.

21. Non-IFRS and Other Financial Measures (continued)

Cash Operating Margin and Cash Profit Margin

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2023	2023	2023	**2023**	**2023**
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	**3,227,500**	**8,674,800**
(in thousands of dollars except per tonne)					
Revenues	463,913	297,162	387,568	**506,891**	**1,191,621**
Net average realized selling price (per dmt sold)	150.0	115.9	134.4	**157.1**	**137.4**
AISC (per dmt sold)	85.7	94.1	99.1	**83.9**	**92.0**
Cash operating margin (per dmt sold)	64.3	21.8	35.3	**73.2**	**45.4**
Cash profit margin	43%	19%	26%	**47%**	**33%**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2022	2022	2022	2022	2022
Iron ore concentrate sold (dmt)	1,889,900	2,013,900	2,793,400	2,694,200	7,501,500
(in thousands of dollars except per tonne)					
Revenues	331,376	279,321	300,621	351,233	931,175
Net average realized selling price (per dmt sold)	175.3	138.7	107.6	130.4	124.1
AISC (per dmt sold)	70.5	93.5	81.9	86.7	86.7
Cash operating margin (per dmt sold)	104.8	45.2	25.7	43.7	37.4
Cash profit margin	60%	33%	24%	34%	30%

21. Non-IFRS and Other Financial Measures (continued)

Gross Average Realized Selling Price per dmt Sold

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

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2023	2023	2023	**2023**	**2023**
Iron ore concentrate sold (dmt)	3,092,900	2,563,500	2,883,800	**3,227,500**	**8,674,800**
(in thousands of dollars except per tonne)					
Revenues	463,913	297,162	387,568	**506,891**	**1,191,621**
Provisional pricing adjustments	(14,325)	46,806	(1,559)	**(15,997)**	**29,250**
Freight and other costs	117,137	88,697	102,411	**140,971**	**332,079**
Gross revenues	566,725	432,665	488,420	**631,865**	**1,552,950**
Gross average realized selling price (per dmt sold)	183.2	168.8	169.4	**195.8**	**179.0**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2022	2022	2022	2022	2022
Iron ore concentrate sold (dmt)	1,889,900	2,013,900	2,793,400	2,694,200	7,501,500
(in thousands of dollars except per tonne)					
Revenues	331,376	279,321	300,621	351,233	931,175
Provisional pricing adjustments	(28,769)	15,668	20,931	5,205	41,804
Freight and other costs	88,757	88,361	117,131	105,987	311,479
Gross revenues	391,364	383,350	438,683	462,425	1,284,458
Gross average realized selling price (per dmt sold)	207.1	190.4	157.0	171.6	171.2

22. Share Capital Information

The Company’s share capital consists of ordinary shares without par value. As of January 30, 2024, there were 518,254,237 ordinary shares issued and outstanding. In addition, there were 4,501,622 ordinary shares issuable pursuant to options, restricted share units, deferred share units and performance share units, and 15,000,000 ordinary shares issuable pursuant to warrants.

23. Risk Factors

Champion is subject to several risks and uncertainties which could have a material adverse impact on its operations, its financial condition and the trading price of its shares.

The Board oversees Management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to market conditions, and the Company's activities.

Refer to the Company's 2023 Annual Information Form and the MD&A for the financial year ended March 31, 2023, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com to see the principal risk factors that apply to the Company and that may have a material adverse effect on its financial condition, results of operations or the trading price of the Company's shares, and for information about the Company's exposure to each of the described risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

24. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that:

i) material information relating to the Company is made known to Management by others, particularly during the period in which the annual filings are being prepared; and

ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

The CEO and CFO are also responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in the Company's ICFR that occurred during the period beginning on October 1, 2023, and ended on December 31, 2023, which have materially affected or are reasonably likely to materially affect the Company's ICFR.

Limitations of DC&P and ICFR

All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems that are determined to be effective can provide only reasonable assurance with respect to the financial statements preparation and presentation.

25. Approval

The Board oversees Management's responsibility for financial reporting and internal control systems through its Audit Committee. The Audit Committee meets quarterly with Management and with the Company's independent auditors to review the scope and results of the annual audit and quarterly reviews, respectively, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and submitted to the shareholders. The Board has approved the Financial Statements and the disclosure contained in this MD&A as of January 31, 2024.

26. Nature of Securities

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

27. Additional Information

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

28. Qualified Person and Data Verification

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

The mineral resource qualified person, Christian Beaulieu, P.Geo., undertook data verification and validation of information included in section 4 - Kami Project Study, including, but not limited to, drill core inspection of sampling, logging and mineralization style, outcrop inspection, drill hole collar location, quality assurance and quality control results review, independent sampling, and database verification against laboratory certificates. The qualified person is of the opinion that the drilling database and supporting information can be used for a mineral resource estimate. No major issues were found during data validation, both digitally and on the field.