

Champion Iron Limited

(ACN: 119 770 142)

Condensed Interim Consolidated Financial Statements For the Three and Six-Month Periods Ended September 30, 2025 and 2024

(Expressed in thousands of Canadian dollars - unaudited)

Champion Iron Limited

Interim Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars - unaudited)

		As at September 30, 2025	As at March 31, 2025
	Notes		
Assets			
Current			
Cash and cash equivalents		325,504	117,451
Receivables	4	217,756	202,470
Income and mining taxes receivable		139	3,173
Prepaid expenses and advances	5	51,343	51,722
Inventories	6	288,416	357,489
		883,158	732,305
Non-current			
Non-current investments		12,233	15,393
Advance payments	7	75,594	76,307
Intangible assets		4,291	5,219
Property, plant and equipment	8	2,219,141	2,046,406
Exploration and evaluation assets	9	95,955	148,029
Other non-current assets	10	85,921	6,542
Investment in a joint venture	3, 21	62,057	—
Total assets		3,438,350	3,030,201
Liabilities			
Current			
Accounts payable and other	11	289,514	289,660
Income and mining taxes payable		4,108	25,895
Current portion of long-term debt	12	40,658	40,725
Current portion of provisions	13	9,593	2,402
		343,873	358,682
Non-current			
Long-term debt	12	936,911	666,576
Deferred grant	12	7,960	8,573
Lease liabilities		82,023	78,619
Provisions	13	132,277	141,628
Other long-term liabilities	3	81,843	15,620
Net deferred tax liabilities		354,037	325,105
Total liabilities		1,938,924	1,594,803
Shareholders' equity			
Share capital	14	470,085	411,047
Contributed surplus		16,647	16,647
Warrants	14	—	22,288
Foreign currency translation reserve		399	374
Retained earnings		1,012,295	985,042
Total equity		1,499,426	1,435,398
Total liabilities and equity		3,438,350	3,030,201
Commitments and contingencies	23		
Subsequent event	26		

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

Approved on October 30, 2025 on behalf of the Board of Directors

/s/ Michael O'Keeffe
Executive Chairman

/s/ Gary Lawler
Lead Director

Champion Iron Limited

Interim Consolidated Statements of Income

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

		Three Months Ended September 30,		Six Months Ended September 30,	
	Notes	2025	2024	2025	2024
Revenues	15	492,890	350,980	882,917	818,064
Cost of sales	16	(293,398)	[252,960]	(607,326)	[517,871]
Depreciation	24	(45,108)	[35,273]	(91,904)	[70,797]
Gross profit		154,384	62,747	183,687	229,396
Other expenses					
Share-based payments	14	(4,618)	[4,801]	(4,301)	[7,193]
General and administrative expenses		(9,894)	[12,114]	(22,475)	[24,464]
Sustainability and other community expenses		(4,893)	[4,669]	(9,470)	[9,210]
Innovation and growth initiatives		(2,243)	[1,569]	(4,114)	[3,445]
Operating income		132,736	39,594	143,327	185,084
Net finance costs	17	(25,643)	[7,486]	(12,387)	[15,745]
Other expenses	18	(3,021)	[331]	(2,655)	[185]
Income before income and mining taxes		104,072	31,777	128,285	169,154
Current income and mining taxes		(10,372)	17,049	(18,775)	[24,131]
Deferred income and mining taxes		(36,906)	[29,019]	(28,932)	[43,859]
Net income		56,794	19,807	80,578	101,164
Earnings per share		(in dollars)	(in dollars)	(in dollars)	(in dollars)
Basic	19	0.11	0.04	0.15	0.20
Diluted	19	0.11	0.04	0.15	0.19
Weighted average number of ordinary shares outstanding		(in thousands)	(in thousands)	(in thousands)	(in thousands)
Basic	19	533,251	518,111	528,005	518,095
Diluted	19	534,544	527,463	531,328	527,837

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

Champion Iron Limited

Interim Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars - unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Net income	56,794	19,807	80,578	101,164
Other comprehensive income (loss)				
Item that may be reclassified subsequently to the consolidated statements of income				
Net movement in foreign currency translation reserve	(20)	14	25	3
Total other comprehensive income (loss)	(20)	14	25	3
Total comprehensive income	56,774	19,821	80,603	101,167

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

Champion Iron Limited

Interim Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

		Attributable to Champion Shareholders						
		Share Capital						
		Ordinary Shares						
Note	Shares ¹ (in thousands)	\$	Contributed Surplus	Warrants	Foreign Currency Translation	Retained Earnings	Total	
March 31, 2025	518,251	411,047	16,647	22,288	374	985,042	1,435,398	
Net income	—	—	—	—	—	80,578	80,578	
Other comprehensive income	—	—	—	—	25	—	25	
Total comprehensive income	—	—	—	—	25	80,578	80,603	
Exercise of warrants	14	15,000	59,038	—	(22,288)	—	36,750	
Dividends on ordinary shares	14	—	—	—	—	(53,325)	(53,325)	
September 30, 2025	533,251	470,085	16,647	—	399	1,012,295	1,499,426	
March 31, 2024	518,071	409,785	17,372	22,288	429	946,636	1,396,510	
Net income	—	—	—	—	—	101,164	101,164	
Other comprehensive income	—	—	—	—	3	—	3	
Total comprehensive income	—	—	—	—	3	101,164	101,167	
Exercise of stock options	14	150	1,073	(323)	—	—	750	
Release of performance share units	14	30	189	(403)	—	(4)	(218)	
Dividends on ordinary shares	14	—	—	—	—	(51,810)	(51,810)	
Share-based payments	14	—	—	1	—	—	1	
September 30, 2024	518,251	411,047	16,647	22,288	432	995,986	1,446,400	

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

¹ All issued ordinary shares are fully paid and have no par value.

Champion Iron Limited

Interim Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars - unaudited)

		Three Months Ended September 30,		Six Months Ended September 30,	
	Notes	2025	2024	2025	2024
Cash provided by (used in)					
Operating activities					
Net income		56,794	19,807	80,578	101,164
Adjustments for non-cash items					
Depreciation	24	45,108	35,273	91,904	70,797
Share-based payments	14	4,618	4,801	4,301	7,193
Change in fair value of non-current investments	20	2,375	201	3,160	55
Unrealized foreign exchange loss (gain)		12,180	(2,508)	(10,342)	(2,202)
Accretion expense of provisions	13, 17	785	312	1,480	646
Amortization of transaction costs and accretion of long-term debt	17	3,012	1,159	4,110	2,352
Amortization of deferred grant	12, 17	(307)	(306)	(613)	(612)
Loss on disposal of property, plant and equipment	8	1,660	1,919	1,778	3,133
Deferred income and mining taxes		36,906	29,019	28,932	43,859
Other		325	130	325	130
Utilization of provisions	13	(440)	—	(796)	—
		163,016	89,807	204,817	226,515
Changes in non-cash operating working capital	24	(41,992)	44,882	(2,661)	(60,432)
Net cash flows from operating activities		121,024	134,689	202,156	166,083
Investing activities					
Increase in advance payments	7	(63)	(285)	(5,360)	(6,665)
Purchase of intangible assets		(62)	(161)	(567)	(161)
Purchase of property, plant and equipment	8, 24	(113,199)	(179,182)	(218,574)	(294,643)
Proceeds from disposal of property, plant and equipment	8	85	—	85	—
Investment in exploration and evaluation assets	9	(6,360)	(4,820)	(15,180)	(7,391)
Increase in other non-current financial assets	10	—	—	10	—
Net cash flows used in investing activities		(119,599)	(184,448)	(239,586)	(308,860)
Financing activities					
Decrease in restricted cash		—	34,837	—	—
Issuance of long-term debt	12	681,100	—	765,600	—
Repayment of long-term debt	12	(465,125)	(6,363)	(483,462)	(18,999)
Transaction costs on long-term debt	12	(14,329)	—	(14,329)	(314)
Payment of lease liabilities	24	(4,202)	(1,813)	(7,491)	(3,573)
Exercise of warrants	14	—	—	36,750	—
Exercise of stock options	14	—	750	—	750
Withholding taxes paid pursuant to the settlement of PSUs	14	—	—	—	(218)
Dividends paid on ordinary shares	14	(53,325)	(51,810)	(53,325)	(51,810)
Net cash flows from (used in) financing activities		144,119	(24,399)	243,743	(74,164)
Net increase (decrease) in cash and cash equivalents		145,544	(74,158)	206,313	(216,941)
Cash and cash equivalents, beginning of the period		176,054	259,859	117,451	400,061
Effects of exchange rate changes on cash and cash equivalents		3,906	(1,925)	1,740	656
Cash and cash equivalents, end of the period		325,504	183,776	325,504	183,776
Interest paid		5,394	12,657	23,432	24,686
Interest received		2,923	2,983	3,951	8,443
Income and mining taxes paid		18,892	27,559	37,528	82,029

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

1. Description of Business

Champion Iron Limited ("Champion" or the "Company") was incorporated under the laws of Australia in 2006 and is dual-listed on the Toronto Stock Exchange (TSX: CIA) and the Australian Securities Exchange (ASX: CIA), and trades on the OTCQX Best Market (OTCQX: CIAFF). The Company is domiciled in Australia and its principal administrative office is located on 1155 René-Lévesque Blvd. West, Suite 3300, Montréal, QC, H3B 3X7, Canada.

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc. ("QIO"), owns and operates the Bloom Lake Mining Complex ("Bloom Lake" or "Bloom Lake Mine"), located on the south end of the Labrador Trough, approximately 13 kilometres north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentration plants that primarily source energy from renewable hydroelectric power, having a combined nameplate capacity of 15 million wet metric tonnes per year that produce lower 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, Champion is investing to upgrade half of the Bloom Lake's mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe (the "DRPF Project"). Bloom Lake's high-grade and lower contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. Champion ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has delivered its iron ore concentrate globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion holds a 51% interest in Kami Iron Mine Partnership (the "Kami Partnership"), an entity also owned by Nippon Steel Corporation ("Nippon Steel") and Sojitz Corporation ("Sojitz", and collectively with Nippon Steel, the "Partners"), which owns the Kamistatusset project (the "Kami Project"). The Kami Project is located near available infrastructure, only 21 kilometres southeast of Bloom Lake. Champion also owns a portfolio of exploration and development projects in the Labrador Trough, including the Cluster II portfolio of properties, located within 60 kilometres south of Bloom Lake.

2. Material Accounting Policy Information and Future Accounting Changes

a) Basis of Preparation and Statement of Compliance

The Company's condensed interim consolidated financial statements ("financial statements") are for the group consisting of Champion Iron Limited and its subsidiaries.

These financial statements have been prepared for a for-profit enterprise in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards Board ("AASB") 134 and International Accounting Standards ("IAS") 34, Interim Financial Reporting.

These financial statements do not include certain information and disclosures normally included in the audited annual consolidated financial statements prepared in accordance with AASB and International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2025.

These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and financial liabilities recorded at fair value.

The nature of the operations and principal activities of the Company are described in the Directors' Report for the year ended March 31, 2025.

These financial statements were approved and authorized for release by the Board of Directors (the "Board") on October 30, 2025.

b) Material Accounting Policies

The accounting policies used in these financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2025, except for accounting policies applied resulting from transactions occurred during the reporting period, and new accounting standards issued and adopted by the Company, which are described below.

Joint arrangement

On September 29, 2025, the Company entered into a definitive partnership agreement with Nippon Steel and Sojitz for the joint ownership and potential development of the Kami Project through the Kami Partnership, in which the Company holds a 51% interest. Under the terms of the agreement, the key strategic decisions that significantly affect the entity's returns require the unanimous consent of the parties. As a result, the arrangement was considered to be jointly controlled and was classified as a joint venture in which the parties have rights to the net assets of the Kami Partnership. Investment in the joint venture is accounted for using the equity method.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

2. Material Accounting Policy Information and Future Accounting Changes (continued)

b) Material Accounting Policies (continued)

Joint arrangement (continued)

The equity method involves recording the initial investment at cost, including transaction costs, and subsequently adjusting the carrying value of the investment for the Company's share of profit (loss), other comprehensive income (loss) and any other changes in the joint venture's net assets. The Company's share of profit (loss) of a joint venture is presented outside operating income in the consolidated statement of income and represents profit (loss) before taxes of the joint venture. Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the entity. The carrying amount of investment in a joint venture will be tested for impairment at each reporting date. The financial statements of the joint venture are prepared for the same reporting period as the Company and in accordance with IFRS under the same accounting policies.

c) Material Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with AASB and IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Joint arrangement

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

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

d) New Accounting Amendments Issued and Adopted by the Company

No amendments to existing standards have been adopted by the Company on April 1, 2025.

e) New Accounting Standards or Amendments Issued to be Adopted at a Later Date

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

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

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

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

2. Material Accounting Policy Information and Future Accounting Changes (continued)

e) New Accounting Standards or Amendments Issued to be Adopted at a Later Date (continued)

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

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

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

3. Kami Iron Mine Partnership

On September 29, 2025, the Company, Nippon Steel and Sojitz entered into a definitive partnership agreement for the joint ownership and potential development of the Kami Project. The assessment of the terms of the partnership agreement led the Company to conclude that the arrangement is jointly controlled, and has been classified as a joint venture to be accounted for using the equity method in the consolidated financial statements. Refer to note 21 — Joint Venture.

The Company contributed net assets totalling \$60,348 and received, at the transaction date, a 51% interest in the Kami Partnership, valued at \$62,057 including capitalized transaction costs of \$1,437 and a gain on loss of control of \$272, as well as a non-current note receivable of \$68,600 representing the Partners' initial cash contributions. Net assets mainly included title of all Kami mining rights, permits, properties and surface rights related to the Kami Project. At the transaction date, the Partners made total cash contributions of \$68,600 to the Kami Partnership, as part of the initial closing of the transaction, for an aggregate 49% interest.

Until a final investment decision is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests. In connection with these options, the Company recorded a liability of \$68,600 representing the maximum amount repayable to the Partners if they exercise their options. The liability was presented in Other non-current liabilities in the consolidated statements of financial position and will be extinguished upon expiry or exercise of the options.

Pursuant to the second closing, the Partners will make subsequent total cash contributions of \$176,400, subject to the completion of a definitive feasibility study, Champion and the Partners proceeding with positive interim investment elections to pursue work towards a final investment decision, as well as other customary closing conditions.

4. Receivables

	As at September 30, 2025	As at March 31, 2025
Trade receivables (i)	161,736	145,457
Sales tax	50,327	36,345
Grants receivable	2,948	2,543
Other receivables (ii)	2,745	18,125
	217,756	202,470

(i) As at September 30, 2025, the trade receivables, associated with revenues that remained subject to provisional pricing, represented a receivable balance of \$64,442 (March 31, 2025: \$70,410).

(ii) Other receivables as at March 31, 2025, included \$11,451 of refundable expenditures related to the Kami Project feasibility study costs representing the pro-rata share of costs to be repaid by the Partners. The related receivable balance was settled concurrently with the initial closing of the Kami Partnership transaction, in addition to expenditure incurred by then for an aggregate amount of \$15,630. Refer to notes 3 — Kami Iron Mine Partnership and 9 — Exploration and Evaluation Assets.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

5. Prepaid Expenses and Advances

		As at September 30, 2025	As at March 31, 2025
	Note		
Railway transportation and terminal logistic (i)		34,007	36,644
Port handling services	7	3,828	3,965
Insurance		3,959	1,028
Other		9,549	10,085
		51,343	51,722

(i) As at September 30, 2025, the railway transportation and terminal logistic prepaid included the current portion of railway services agreements of \$10,965 (March 31, 2025: \$16,706) and monthly prepayments pursuant to service agreements. Refer to note 7 — Advance Payments.

6. Inventories

	As at September 30, 2025	As at March 31, 2025
Stockpiled ore	39,898	47,048
Iron ore concentrate inventories	124,882	189,955
Supplies and spare parts	123,636	120,486
	288,416	357,489

For the three and six-month periods ended September 30, 2025, the amount of inventories recognized as an expense totalled \$338,506 and \$699,230, respectively (three and six-month periods ended September 30, 2024: \$288,233 and \$588,668, respectively).

7. Advance Payments

		As at September 30, 2025	As at March 31, 2025
	Note		
Advance payments related to railway transportation and terminal logistic (i)		25,377	34,780
Prepaid future port handling services (ii)		17,597	18,484
Other long-term advance (iii)		47,413	43,714
		90,387	96,978
Less current portion classified in "Prepaid expenses and advances"	5	(14,793)	(20,671)
		75,594	76,307

(i) In October 2017, the Company entered into a railway and stockyard facilities access agreement with Société Ferroviaire et Portuaire de Pointe-Noire ["SFP Pointe-Noire"] for the transportation, unloading, stockpiling and loading of iron ore concentrate from Sept-Îles to Pointe-Noire, Québec. In connection with the agreement, the Company makes annual payments of \$3,750 to SFP Pointe-Noire to cover the investments made at the time with respect to a portion of the infrastructure. Advance payments are amortized over the life of mine. As at September 30, 2025, the related advance payments amounted to \$14,412 (March 31, 2025: \$15,247).

In April 2021, the Company entered into an agreement to expand an existing long-term rail contract with a third-party railway services provider to accommodate the anticipated increased production volumes associated with its second plant. Advance payments are recovered by means of a monthly credit per tonne hauled exceeding a predetermined tonnage. In connection with this agreement, the remaining advance payments totalled \$10,965 as at September 30, 2025 (March 31, 2025: \$19,533) and are fully included under Prepaid expenses and advances in the consolidated statements of financial position (March 31, 2025: current portion of \$16,706).

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

7. Advance Payments (continued)

- (ii) Pursuant to the agreement between the Company and the Sept-Îles Port Authority ("Port"), the Company made an advance payment on its future shipping, wharfage and equipment fees. Advance payments totalled \$17,597 as at September 30, 2025 (March 31, 2025: \$18,484) and are recovered by means of a monthly credit per tonne sold. The current portion of the port advances totalled \$3,828 as at September 30, 2025 (March 31, 2025: \$3,965) and is included under Prepaid expenses and advances in the consolidated statements of financial position.
- (iii) The other long-term advance totalled \$47,413 as at September 30, 2025 (March 31, 2025: \$43,714) and relates to amounts paid to SFP Pointe-Noire annually which are recoverable under the guarantee access agreement if certain conditions are met. It also includes advance payments for major replacement parts, transshipment and rail assets improvement expenditures incurred by railway and port service providers, which are amortized in Cost of sales based on the expected useful life of the assets.

The additional investments related to capital maintenance expenditures are presented under Investing activities in the consolidated statements of cash flows, on the line advance payments, and totalled \$63 and \$5,360, respectively, for the three and six-month periods ended September 30, 2025 (three and six-month periods ended September 30, 2024: \$285 and \$6,665, respectively).

8. Property, Plant and Equipment

	Mining and Processing Equipment	Locomotives, Railcars and Rails (i)	Tailings Dikes	Assets under Construction (ii)	Mining Development and Stripping Asset	Asset Rehabilitation Obligation and Other	Subtotal	Right-of- use Assets	Total
Cost									
March 31, 2025	968,446	137,378	358,058	365,876	276,090	157,542	2,263,390	214,090	2,477,480
Additions	33,251	—	—	161,970	34,310	1,187	230,718	33,969	264,687
Disposals, lease modifications & termination	(24,802)	—	—	—	(223)	—	(25,025)	(4,302)	(29,327)
Transfers	10,007	134	14	(11,212)	—	1,057	—	—	—
Foreign exchange and other	—	(1,553)	—	—	(315)	(3,716)	(5,584)	—	(5,584)
September 30, 2025	986,902	135,959	358,072	516,634	309,862	156,070	2,463,499	243,757	2,707,256
Accumulated depreciation									
March 31, 2025	218,534	19,830	49,432	—	94,880	23,099	405,775	25,299	431,074
Depreciation	50,307	2,993	9,687	—	3,974	3,867	70,828	10,534	81,362
Disposals & lease termination	(22,939)	—	—	—	(223)	—	(23,162)	(650)	(23,812)
Transfers	—	—	—	—	—	—	—	—	—
Foreign exchange and other	—	(509)	—	—	—	—	(509)	—	(509)
September 30, 2025	245,902	22,314	59,119	—	98,631	26,966	452,932	35,183	488,115
Net book value - September 30, 2025	741,000	113,645	298,953	516,634	211,231	129,104	2,010,567	208,574	2,219,141

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

8. Property, Plant and Equipment (continued)

	Mining and Processing Equipment	Locomotives, Railcars and Rails (i)	Tailings Dikes	Assets under Construction (ii)	Mining Development and Stripping Asset	Asset Rehabilitation Obligation and Other	Subtotal	Right-of-use Assets	Total
Cost									
March 31, 2024	880,602	64,797	285,458	153,508	155,916	124,854	1,665,135	200,366	1,865,501
Additions	66,854	69,764	—	377,257	116,895	2,024	632,794	25,315	658,109
Disposals and lease terminations	(37,353)	—	(460)	—	(305)	(1,466)	(39,584)	(11,591)	(51,175)
Transfers	58,343	—	73,060	(164,889)	3,162	30,324	—	—	—
Foreign exchange and other	—	2,817	—	—	422	1,806	5,045	—	5,045
March 31, 2025	968,446	137,378	358,058	365,876	276,090	157,542	2,263,390	214,090	2,477,480
Accumulated depreciation									
March 31, 2024	159,586	15,013	33,943	—	74,754	15,999	299,295	20,245	319,540
Depreciation	92,532	3,933	15,949	—	20,244	7,410	140,068	15,682	155,750
Disposals and lease terminations	(33,584)	—	(460)	—	(305)	(123)	(34,472)	(10,628)	(45,100)
Transfers	—	—	—	—	187	(187)	—	—	—
Foreign exchange and other	—	884	—	—	—	—	884	—	884
March 31, 2025	218,534	19,830	49,432	—	94,880	23,099	405,775	25,299	431,074
Net book value - March 31, 2025	749,912	117,548	308,626	365,876	181,210	134,443	1,857,615	188,791	2,046,406

- (i) Certain of the Company's railcars are subject to a rental agreement. As at September 30, 2025, 240 railcars with a net book value of \$39,964 were leased under an operating lease contract (March 31, 2025: 240 railcars with a net book value of \$40,865). Rental income is included in Other income in the consolidated statements of income.
- (ii) For the three and six-month periods ended September 30, 2025, the amount of borrowing costs capitalized during the development period of the DRPF Project was \$8,471 and \$15,122, respectively (three and six-month periods ended September 30, 2024: \$3,681 and \$6,087, respectively). Borrowing costs consisted of interest expense and the amortization of transaction costs on the long-term debt. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the three and six-month periods ended September 30, 2025, was 8.2% and 7.8%, respectively (three and six-month periods ended September 30, 2024: 7.8%).

9. Exploration and Evaluation Assets

	Labrador Trough	Newfoundland	Total
March 31, 2025	141,742	6,287	148,029
Additions	15,180	—	15,180
Refundable expenditures (i)	11,451	—	11,451
Contribution to a joint venture (i)	(78,705)	—	(78,705)
September 30, 2025	89,668	6,287	95,955
	Labrador Trough	Newfoundland	Total
March 31, 2024	127,275	4,552	131,827
Additions	25,918	1,735	27,653
Refundable expenditures (i)	(11,451)	—	(11,451)
March 31, 2025	141,742	6,287	148,029

- (i) As at March 31, 2025, the Company recognized an amount of \$11,451 as reduction of exploration and evaluation assets for the Kami Project with a corresponding receivable, included in Other receivables, representing the Partners' obligation to fund 49% of the feasibility study expenditures incurred to date by the Company. During the three-month period ended September 30, 2025, the Company transferred to the Kami Partnership the beneficial ownership of all the exploration and evaluation assets previously capitalized for the Kami Project, including the feasibility study expenditures. Refer to note 3 — Kami Iron Mine Partnership.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

10. Other Non-Current Assets

		As at September 30,	As at March 31,
	Notes	2025	2025
Joint venture's contribution note	3	68,600	—
Embedded derivative	12	11,854	—
Transaction costs related to the revolving facility (i)		4,627	5,692
Other		840	850
		85,921	6,542

(i) Transaction costs are amortized on a straight-line basis over the term of the revolving facility.

11. Accounts Payable and Other

		As at September 30,	As at March 31,
	Note	2025	2025
Trade payable and accrued liabilities		228,341	232,944
Wages and benefits		26,953	39,456
Cash-settled share-based payment liability	14	6,975	3,544
Current portion of lease liabilities		27,245	13,716
		289,514	289,660

12. Long-Term Debt

	Interest Rate (i)	Maturity	As at September 30,	As at March 31,
			2025	2025
Senior Unsecured Notes	7.875 %	July 15, 2032	694,084	—
Term Loan	SOFR + 2.25% to 3.25%	November 29, 2028	—	328,560
Revolving Facility	SOFR + 2.00% to 3.00%	November 29, 2027	—	71,880
IQ Loan	3.70%	April 1, 2032	40,075	45,798
FTQ Loan	7.75%	May 21, 2028	74,234	74,095
CAT Financing (ii)	SOFR + 2.35% to 3.25%	October 2025 to October 2030	103,411	117,053
Railcars Loan	6.66% and 6.57%	November 22 and December 4, 2034	65,765	69,915
			977,569	707,301
Less current portion			(40,658)	(40,725)
			936,911	666,576

(i) The interest rate of the Senior Credit Facilities and the CAT Financing is based on Secured Overnight Financing Rate ("SOFR"), plus a credit spread adjustment and a financial margin. For the Senior Credit Facilities, the financial margin fluctuates depending on the net debt to EBITDA ratio.

(ii) The CAT Financing matures between 3 and 6 years depending on the equipment.

	As at September 30,	As at March 31,
	2025	2025
Face value of long-term debt	986,978	717,967
Derivative prepayment options	11,854	—
Unamortized transaction costs	(21,263)	(10,666)
Long-term debt, net of derivative and transaction costs	977,569	707,301

The Senior Credit Facilities, FTQ Loan and the CAT Financing are subject to operational and financial covenants, all of which have been met as at September 30, 2025. The undrawn portion of the Senior Credit Facilities and the CAT Financing is subject to standby commitment fees varying from 0.50% to 0.75%.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

12. Long-Term Debt [continued]

The United States ("U.S.") amounts stated below are expressed in thousands of U.S. dollars.

Senior Unsecured Notes

On July 2, 2025, the Company issued \$681,100 [US\$500,000] senior unsecured notes (the "Notes"). The interests are payable semi-annually, on January 15 and July 15 of each year. The Notes include various prepayment options, in whole or in part, at different times, by paying premiums at decreasing rates depending on the term of the Notes. Any time after July 15, 2030, the Notes may be repaid at 100% of the principal. The Notes were bifurcated into a debt component and an embedded derivative for prepayment features. The embedded derivative asset was initially estimated at \$11,854 and presented in Other non-current assets in the consolidated statements of financial position with a corresponding adjustment recorded in Long-term debt.

The Notes are guaranteed on an unsecured basis by certain of the Company's subsidiaries. The Company is subject to certain restrictions on asset sales, indebtedness, distributions and transactions with affiliates. There are no maintenance covenants with respect to the Company's financial performance. During the three-month period ended September 30, 2025, the Company incurred transaction costs of \$14,329 related to the issuance of the Notes, which were presented against Long-term debt. As at September 30, 2025, the outstanding balance was \$696,050 [US\$500,000].

Senior Credit Facilities

On November 29, 2023, the Company completed a US\$230,000 five-year term loan (the "Term Loan") with a syndicate of lenders and extended the maturity of its existing US\$400,000 general purpose revolving facility to November 2027 (the "Revolving Facility" and collectively the "Senior Credit Facilities"). During the three-month period ended June 30, 2025, the Company drew \$76,004 [US\$55,000] on the Revolving Facility.

On July 2, 2025, the Company used the proceeds of the Notes to repay its \$313,307 [US\$230,000] Term Loan and \$143,031 [US\$105,000] Revolving Facility outstanding balance. This transaction resulted in the Term Loan extinguishment, leading to the recognition of \$1,908 unamortized transaction costs, within Net finance costs in the consolidated statements of income. The Revolving Facility remains fully available and, as at September 30, 2025, the Company had \$41,900 letters of credit issued under the \$556,840 [US\$400,000] Revolving Facility.

Collateral is comprised of all of the present and future undertakings, properties and assets of QIO and Lac Bloom Railcars Corporation Inc. The Company guaranteed all the obligations of QIO and Lac Bloom Railcars Corporation Inc. and pledged all of the shares it holds in QIO and Lac Bloom Railcars Corporation Inc.

For the three and six-month periods ended September 30, 2025, the weighted average interest rate was nil and 7.21%, respectively (three and six-month periods ended September 30, 2024: 7.78% and 7.76%, respectively).

IQ Loan

On July 21, 2021, QIO entered into an unsecured loan agreement with Investissement Québec (the "IQ Loan") to finance the Company's share of the increase in transshipment capacity by SFP Pointe-Noire for an amount up to \$70,000. The repayment commenced on April 1, 2022, in ten equal annual instalments of the principal balance outstanding. The agreement comprises an option to prepay the loan at any time without penalty.

The IQ Loan was determined to be at a below-market rate. The fair value of the total advances of \$70,000 was estimated at \$59,386 and was determined based on the prevailing market interest rate for a similar instrument at the time the advances were made. The residual amount of \$10,614 was recognized as a government grant and presented as Deferred grant in the consolidated statements of financial position. The deferred grant is amortized on a straight-line basis over the loan maturity starting in September 2023 when SFP Pointe-Noire's new infrastructure became available for use. The remaining deferred grant as at September 30, 2025 totalled \$7,960 [March 31, 2025: \$8,573].

During the six-month period ended September 30, 2025, the Company repaid \$6,400 [six-month period ended September 30, 2024: \$6,400]. The remaining IQ Loan balance was \$44,800 as at September 30, 2025 [March 31, 2025: \$51,200].

FTQ Loan

On May 21, 2021, QIO entered into an unsecured loan agreement with Fonds de Solidarité des Travailleurs du Québec (the "FTQ Loan") to fund the completion of the Bloom Lake expansion project and for general purposes thereafter for an amount up to \$75,000. The FTQ Loan includes an option to prepay in whole or in part at any time, but not prior to the second anniversary, by paying a premium that varies from 2% to 6% based on the prepayment date. The outstanding balance was \$75,000 as at September 30, 2025 [March 31, 2025: \$75,000].

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

12. Long-Term Debt [continued]

CAT Financing

On April 1, 2021, the Company signed an agreement with Caterpillar Financial Services Limited (the "CAT Financing") to finance mining equipment required for the Bloom Lake expansion for a facility of up to US\$75,000 and available until March 31, 2023. Over the years, the facility was increased by US\$73,000 and the availability period extended to July 2025. Transaction costs of \$314 were incurred in the six-month period ended September 30, 2024, for amendments to the agreement.

The CAT Financing includes a prepayment option of the loan without penalty at any time and is collateralized by all of the financed equipment. The carrying value of the financed equipment was \$86,440 as at September 30, 2025 (March 31, 2025: \$98,849).

During the three and six-month periods ended September 30, 2025, the Company drew nil and \$8,496 (US\$6,228), respectively (three and six-month periods ended September 30, 2024: nil), and repaid \$7,808 (US\$5,749) and \$18,774 (US\$13,521), respectively (three and six-month periods ended September 30, 2024: \$6,363 and \$12,599, respectively), resulting in a balance of \$104,751 (US\$75,247) as at September 30, 2025 (March 31, 2025: \$118,660 (US\$82,540)).

For the three and six-month periods ended September 30, 2025, the weighted average interest rate was 7.37% and 7.27%, respectively (three and six-month periods ended September 30, 2024: 8.63% and 8.67%, respectively).

Railcars Loan

On November 1, 2024, the Company signed a loan agreement (the "Railcars Loan") to finance the purchase of 400 railcars for a facility of US\$49,897. The Railcars Loan consists of two equal equipment notes payable in 120 progressive monthly installments, with a final payment of US\$5,872 and US\$5,861 at their respective maturities.

The Railcars Loan includes a prepayment option, in whole at any time, but not prior to the second anniversary, by paying a premium of 1% of the amount prepaid for each remaining year of the loan. The Railcars Loan is collateralized by all the financed railcars. The carrying value of the financed railcars was \$66,607 as at September 30, 2025 (March 31, 2025: \$68,109).

During the three and six-month periods ended September 30, 2025, the Company repaid \$979 (US\$712) and \$1,950 (US\$1,413), respectively, resulting in a balance of \$66,377 (US\$47,681) as at September 30, 2025 (March 31, 2025: \$70,579 (US\$49,094)).

13. Provisions

	Note	Rehabilitation obligation	Compensation plans' obligation	Total
March 31, 2025		89,711	54,319	144,030
Additions to the obligation		1,187	—	1,187
Utilization		—	(796)	(796)
Accretion expense	17	663	817	1,480
Effect of change in discount rate		(3,716)	(315)	(4,031)
September 30, 2025		87,845	54,025	141,870
Less current portion		—	(9,593)	(9,593)
		87,845	44,432	132,277

	Rehabilitation obligation	Compensation plans' obligation	Total
March 31, 2024	84,593	—	84,593
Additions to the obligation	2,020	53,710	55,730
Utilization	—	(238)	(238)
Accretion expense	1,292	425	1,717
Effect of change in discount rate	1,806	422	2,228
March 31, 2025	89,711	54,319	144,030
Less current portion	—	(2,402)	(2,402)
	89,711	51,917	141,628

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

14. Share Capital and Reserves

a) Authorized

The Company's share capital consists of authorized:

- Unlimited number of ordinary shares, without par value; and
- Unlimited number of preferred shares, without par value, issuable in series.

b) Ordinary Shares

	Six Months Ended September 30,	
	2025	2024
	(in thousands)	(in thousands)
Opening balance	518,251	518,071
Shares issued for exercise of warrants	15,000	—
Shares issued for exercise of options — incentive plan	—	150
Shares issued for release of performance share units — incentive plan	—	30
Ending balance	533,251	518,251

c) Dividends

The following table details the dividends declared on the Company's ordinary shares:

Results Period	Montréal Declaration Date	Payment Date	Amount per Share	Six Months Ended September 30,	
				2025	2024
Final — Mar-25	May 29, 2025	July 10, 2025	0.10	53,325	—
Final — Mar-24	May 30, 2024	July 3, 2024	0.10	—	51,810
				53,325	51,810

d) Share-Based Payments

The Company has various share-based compensation plans for eligible employees and directors. The objective of the Omnibus incentive plan is to enhance the Company's ability to attract and retain talented employees and to provide the alignment of interests between such employees and the shareholders of the Company. Under the Omnibus incentive plan, the Company may grant stock option awards, restricted share unit ("RSU") awards, performance share unit ("PSU") awards and deferred share unit ("DSU") awards. If and when cash dividends are declared, the holders of RSUs, PSUs and DSUs are entitled to receive a dividend equivalent.

Stock option and RSU awards vest annually in three equal tranches from the date of grant. PSU awards vest i) at the end of three years from the date of grant or ii) according to the date of achievement, when the PSUs are specific to a project. Vesting is subject to key performance indicators established by the Board. DSU awards vest at the date of grant. The cash consideration for awards settled through cash payment is included in Accounts payable and other under Changes in non-cash operating working capital in the consolidated statements of cash flows.

As at September 30, 2025, the Company is authorized to issue 53,325,000 stock options and share rights (September 30, 2024: 51,825,000) equal to 10% (September 30, 2024: 10%) of the issued and outstanding ordinary shares for issuance under the Omnibus incentive plan.

The following table summarizes the share-based payment expense (recovery):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
RSU	2,010	2,055	1,920	2,646
PSU	2,320	2,082	2,396	4,038
DSU	288	664	(15)	509
	4,618	4,801	4,301	7,193

For the six-month period ended September 30, 2025, the amount recognized as share-based payment expense related to cash-settled awards was \$4,301 (six-month period ended September 30, 2024: share-based payment expense of \$7,192 related to cash-settled awards and \$1 related to equity-settled awards).

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

14. Share Capital and Reserves (continued)

d) Share-Based Payments (continued)

The following table summarizes the carrying amount of the Company's cash-settled share-based payment liability in the consolidated statements of financial position for PSUs, RSUs and DSUs.

		As at September 30,	As at March 31,
	Note	2025	2025
Accounts payable and other	11	6,975	3,544
Other long-term liabilities		8,922	11,126
		15,897	14,670

e) Stock Options

As at September 30, 2025, the Company had no stock options outstanding (September 30, 2024: nil). During the six-month period ended September 30, 2025, no activities occurred in connection with stock options (six-month period ended September 30, 2024, exercise of 150,000 stock options at a weighted average share price, at the exercise date, of \$5.79).

f) Restricted Share Units

The following table details the RSU activities of the share incentive plan:

	Six Months Ended September 30,			
	2025		2024	
	Number of RSUs	Weighted Average Share Price	Number of RSUs	Weighted Average Share Price
	(in thousands)		(in thousands)	
Opening balance	2,007	5.67	1,510	5.62
Granted	1,299	3.84	763	5.94
Dividend equivalents	75	3.95	33	6.02
Settled through cash payment	(467)	6.15	(291)	6.17
Forfeited	(25)	4.58	(26)	5.33
Ending balance	2,889	4.73	1,989	5.67
Vested - end of the period	788	5.35	558	5.69

During the six-month period ended September 30, 2025, 1,299,000 RSUs were granted to key management personnel (six-month period ended September 30, 2024: 763,000 RSUs).

During the six-month period ended September 30, 2025, 467,000 RSUs were settled in exchange for cash consideration based on a weighted average share price, at the settlement date, of \$3.94 (six-month period ended September 30, 2024: 291,000 RSUs based on a weighted average share price, at the settlement date, of \$6.06).

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

14. Share Capital and Reserves (continued)

g) Performance Share Units

The Company assesses each reporting period if performance criteria of share-based units will be achieved in measuring the share-based payments. The actual share-based payment and the period over which the expense is being recognized may vary from the estimate.

The following table details the PSU activities of the share incentive plan:

	Six Months Ended September 30,			
	2025		2024	
	Number of PSUs	Weighted Average Share Price	Number of PSUs	Weighted Average Share Price
	(in thousands)		(in thousands)	
Opening balance	2,799	5.74	2,212	5.74
Granted	1,949	3.84	1,145	5.94
Dividend equivalents	108	3.95	46	6.02
Settled through cash payment	(485)	6.78	(525)	6.22
Forfeited	(40)	4.65	(39)	5.35
Released through the issuance of ordinary shares	—	—	(30)	6.16
Withheld as payment of withholding taxes	—	—	(34)	6.16
Ending balance	4,331	4.73	2,775	5.74
Vested - end of the period	—	—	—	—

During the six-month period ended September 30, 2025, 1,949,000 PSUs were granted to key management personnel (six-month period ended September 30, 2024: 1,145,000 PSUs) and no PSUs were released through the issuance of ordinary shares (six-month period ended September 30, 2024: 30,000 PSUs at a weighted average share price, at the release date, of \$6.46 and related withholding taxes paid of \$218 resulting in the Company not issuing an additional 34,000 PSUs).

During the six-month period ended September 30, 2025, 485,000 PSUs were settled in exchange for cash consideration based on a weighted average share price, at the settlement date, of \$3.84 (six-month period ended September 30, 2024: 525,000 PSUs based on a weighted average share price, at the settlement date, of \$6.13).

h) Deferred Share Units

The following table details the DSU activities of the share incentive plan:

	Six Months Ended September 30,			
	2025		2024	
	Number of DSUs	Weighted Average Share Price	Number of DSUs	Weighted Average Share Price
	(in thousands)		(in thousands)	
Opening balance	492	5.00	336	4.72
Granted	—	—	60	6.41
Dividend equivalents	12	4.10	6	6.23
Ending balance	504	4.98	402	5.00
Vested - end of the period	504	4.98	402	5.00

During the six-month period ended September 30, 2025, no DSUs were granted to key management personnel (six-month period ended September 30, 2024: 60,000 DSUs).

i) Warrants

As at September 30, 2025, the Company had no warrants outstanding (September 30, 2024: 15,000,000 warrants outstanding and exercisable). During the three-month period ended June 30, 2025, the 15,000,000 warrants were exercised at an exercise price of \$2.45.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

15. Revenues

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Iron ore revenue	451,955	373,927	868,534	813,064
Provisional pricing adjustments	40,935	(22,947)	14,383	5,000
	492,890	350,980	882,917	818,064

Quarterly provisional pricing adjustments represent subsequent changes to revenue attributable to iron ore concentrate sold in prior quarters based on the final settlement price. Changes to previous periods sales that were subject to provisional pricing as at June 30, 2025, and for which the final price was determined during the current quarter, were recorded within Provisional pricing adjustments in the current period. Year-to-date provisional pricing adjustments represent the sum of the quarterly provisional pricing adjustments. Current period sales subject to provisional pricing as at September 30, 2025, were recorded within Iron ore revenue in the current period and the adjustment upon determining the final price will be recorded as Provisional pricing adjustments in the future periods.

During the three-month period ended September 30, 2025, a final price was established for the 2.5 million tonnes of iron ore that were subject to provisional pricing as at June 30, 2025, resulting in positive provisional pricing adjustments of \$40,935 recorded as an increase of revenues. As at September 30, 2025, 2.5 million tonnes of iron ore sales remained subject to provisional pricing, with the final price to be determined in the subsequent reporting periods (September 30, 2024: 2.3 million tonnes).

16. Cost of Sales

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Mining and processing costs	182,103	177,334	365,320	357,346
Change in iron ore concentrate inventories	17,410	(11,648)	54,949	(13,822)
Land transportation and port handling	93,885	87,274	187,057	174,347
	293,398	252,960	607,326	517,871

For the three and six-month periods ended September 30, 2025, expenses for defined contribution plans amounted to \$4,202 and \$8,524, of which \$3,828 and \$7,738, were recorded in Cost of sales, respectively (three and six-month periods ended September 30, 2024: \$3,963 and \$8,796, including \$3,548 and \$7,652 in Cost of sales, respectively) and are presented in Mining and processing costs.

17. Net Finance Costs

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Interest expense on long-term debt	10,756	6,659	16,933	14,595
Amortization of transaction costs and accretion of long-term debt	3,012	1,159	4,110	2,352
Standby commitment fees on long-term debt	782	774	1,405	1,452
Interest expense on lease liabilities	1,540	988	2,988	2,008
Realized and unrealized foreign exchange loss (gain)	12,166	(2,467)	(10,324)	(1,943)
Amortization of deferred grant	(307)	(306)	(613)	(612)
Interest income	(2,923)	(2,431)	(3,941)	(7,226)
Accretion expense of provisions	785	312	1,480	646
Other finance costs	(168)	2,798	349	4,473
	25,643	7,486	12,387	15,745

During the development period of the DRPF Project, borrowing costs are capitalized. Refer to note 8 — Property, Plant and Equipment.

Amortization of transaction costs and accretion of long-term debt for the three and six-month periods ended September 30, 2025, include \$1,908 of unamortized transaction costs at the Term Loan extinguishment date. Refer to note 12 — Long-Term Debt.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

18. Other Expenses

		Three Months Ended September 30,		Six Months Ended September 30,	
	Note	2025	2024	2025	2024
Rental income		1,245	—	2,514	—
Change in fair value of non-current investments	20	(2,375)	(201)	(3,160)	(55)
Net loss on non-financial assets		(1,891)	(130)	(2,009)	(130)
		(3,021)	(331)	(2,655)	(185)

19. Earnings per Share

Earnings per share amounts are calculated by dividing the net income by the weighted average number of shares outstanding during the period.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Net income	56,794	19,807	80,578	101,164
	(in thousands)	(in thousands)	(in thousands)	(in thousands)
Weighted average number of common shares outstanding - Basic	533,251	518,111	528,005	518,095
Dilutive share options, warrants and equity settled awards	1,293	9,352	3,323	9,742
Weighted average number of outstanding shares - Diluted	534,544	527,463	531,328	527,837
	(in dollars)	(in dollars)	(in dollars)	(in dollars)
Basic earnings per share	0.11	0.04	0.15	0.20
Diluted earnings per share	0.11	0.04	0.15	0.19

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

20. Financial Instruments

a) Measurement Categories

Financial assets and financial liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the profit or loss or in other comprehensive income. These categories are financial assets and financial liabilities at fair value through profit or loss ("FVTPL"), financial assets at amortized cost, and financial liabilities at amortized cost. The following tables show the carrying values and the fair value of assets and liabilities for each of these categories:

As at September 30, 2025		Financial Instruments at FVTPL	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Total Carrying Amount and Fair Value
Assets					
Current					
Cash and cash equivalents	Level 1	—	325,504	—	325,504
Trade receivables	Level 2	132,278	29,458	—	161,736
Other receivables (excluding sales tax and grant)	Level 2	—	2,745	—	2,745
		132,278	357,707	—	489,985
Non-current					
Equity investment in a publicly listed entity (included in non-current investments)	Level 1	9	—	—	9
Equity investment in a private entity (included in non-current investments)	Level 3	12,224	—	—	12,224
Other non-current financial assets	Level 1	—	69,440	—	69,440
Embedded derivative	Level 2	11,854	—	—	11,854
		156,365	427,147	—	583,512
Liabilities					
Current					
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	Level 2	—	—	255,294	255,294
Current portion of long-term debt	Level 3	—	—	40,658	40,658
		—	—	295,952	295,952
Non-current					
Long-term debt	Level 3	—	—	936,911	936,911
		—	—	1,232,863	1,232,863

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

20. Financial Instruments (continued)

a) Measurement Categories (continued)

As at March 31, 2025		Financial Instruments at FVTPL	Financial Assets at Amortized Cost	Financial Liabilities at Amortized Cost	Total Carrying Amount and Fair Value
Assets					
Current					
Cash and cash equivalents	Level 1	—	117,451	—	117,451
Trade receivables	Level 2	119,345	26,112	—	145,457
Other receivables (excluding sales tax and grant)	Level 2	—	18,125	—	18,125
		119,345	161,688	—	281,033
Non-current					
Equity investment in a publicly listed entity (included in non-current investments)	Level 1	9	—	—	9
Equity investment in a private entity (included in non-current investments)	Level 3	15,384	—	—	15,384
Other non-current financial assets	Level 1	—	850	—	850
		134,738	162,538	—	297,276
Liabilities					
Current					
Accounts payable and other (excluding the current portion of lease liabilities and cash-settled share-based payment liability)	Level 2	—	—	272,400	272,400
Current portion of long-term debt	Level 3	—	—	40,725	40,725
		—	—	313,125	313,125
Non-current					
Long-term debt	Level 3	—	—	666,576	666,576
		—	—	979,701	979,701

Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities; this includes cash and cash equivalents, short-term investments and restricted cash if any, other receivables, and accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability). Long-term debt was accounted for at amortized cost using the effective interest method, and its fair value approximate its carrying value, given that it is subject to terms and conditions, including variable interest rates, similar to those available to the Company for instruments with comparable terms.

b) Fair Value Measurement Hierarchy

Subsequent to initial recognition, the Company uses a fair value hierarchy to categorize the inputs used to measure the financial instruments at fair value grouped into the following levels based on the degree to which the fair value is observable.

- Level 1: Inputs derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs derived from other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, Level 2 and Level 3 during the three and six-month periods ended September 30, 2025 (three and six-month periods ended September 30, 2024: nil).

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

20. Financial Instruments (continued)

c) Financial Instruments Measured at FVTPL

Trade receivables

The trade receivables are classified as Level 2 in the fair value hierarchy. Their fair values are a recurring measurement. The measurement of the trade receivables is impacted by the Company's provisional pricing arrangements, where the final sale price is determined based on iron ore prices subsequent to the date of the sale. The Company initially recognizes sales trade receivables at the contracted provisional price on the shipment date and re-estimates the consideration to be received using forecast iron ore prices at the end of each reporting period. The impact of iron ore price movements until the final settlement is recorded as an adjustment to sales trade receivables.

Equity instruments publicly listed

Equity instruments publicly listed are classified as a Level 1 in the fair value hierarchy. Their fair values are a recurring measurement and are estimated using the closing share price observed on the relevant stock exchange. No fair value adjustment was recorded during the three and six-month periods ended September 30, 2025 (three and six-month periods ended September 30, 2024: nil).

Equity instruments in private entity

The Company holds equity instruments in a European-based private entity which collaborates with the Company in industrial trials related to cold pelletizing technologies. The fair value of the equity instruments is a recurring measurement and is classified as Level 3. The determination of fair value is conducted on a quarterly basis and it is based on the entity's financial performance from the latest financial statements as well as enterprise values used in financing, if any. The change in fair value also reflects the foreign exchange gains or losses.

During the three and six-month periods ended September 30, 2025, the Company recognized a decrease in the fair value of the equity instruments, amounting to \$2,375 and \$3,160, respectively. The decrease was mainly attributable to a loss of \$2,673 associated with the reduction of the enterprise value of the private entity following a new financing round, with the remainder related to the changes in exchange rates (three and six-month periods ended September 30, 2024: decrease of \$201 and \$55, respectively, attributable to the changes in exchange rates). As at September 30, 2025, the equity instruments totalled \$12,224 (March 31, 2025: \$15,384).

Embedded derivative asset

The Senior Unsecured Notes issued in July 2025 include redemption options accounted for as a separate embedded derivative measured at FVTPL. The fair value of the embedded derivative asset was estimated at \$11,854 at inception and was recorded in Other non-current assets in the consolidated statements of financial position with a corresponding adjustment to Long-term debt. The fair value of redemption options was categorized as Level 2 in the fair value hierarchy.

The fair value of the derivative asset was determined by using market data such as interest rate curves, volatility assumptions and credit spreads for similar instruments. The fair value of the derivative asset is a recurring measurement. During the three and six-month periods ended September 30, 2025, no change in fair value was recognized on the derivative asset.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

21. Joint Venture

Since September 29, 2025, the Company holds a 51% interest in the Kami Partnership, a joint venture currently evaluating the potential development of the Kami Project, that is designed to produce 9 million wet metric tonnes per year of direct reduction quality iron ore grading above 67.5% Fe and which is located 21 kilometres southeast of Bloom Lake. Refer to note 3 — Kami Iron Mine Partnership for additional details.

The Company's interest in the Kami Partnership is accounted for using the equity method in the consolidated financial statements.

This summarized financial information represents the joint venture's financial statements prepared in accordance with IFRS under the Company's accounting policies:

	As at September 30, 2025
Current assets	313
Non-current assets	242,662
Total assets	242,975
Current liabilities	3,175
Non-current liabilities	68,628
Total liabilities	71,803
Net assets	171,172
Assets and liabilities above include:	
Cash and cash equivalents	72
Non-current restricted cash	68,600

Reconciliation of the above amounts with the carrying amount of the Company's investment recognized in the consolidated statements of financial position is presented below:

	As at September 30, 2025
Champion's interest	51 %
Joint venture's net assets (100%)	171,172
Champion's proportionate ownership	87,298
Fair value recognition in the joint venture	(95,278)
Contribution note payable	68,600
	60,620
Transaction costs incurred	1,437
Carrying value of Champion's investment in a joint venture	62,057

The joint venture does not have any future minimum payments of commitments as at September 30, 2025.

The Kami Partnership will be subject to the payment of a gross sales royalty on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products; and an education and training fund for local communities.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

22. Related Parties

Transactions and balances with the joint venture, accounted as per the equity method, are summarized below:

		Three Months Ended September 30,
	Notes	2025
Contributed net assets		
Current assets		313
Non-current assets (i)		78,868
Current liabilities		(3,175)
Non-current liabilities		(28)
		75,978
Cash received (feasibility study repayment)	4	(15,630)
Investment received	3	60,348

(i) Non-current assets include \$78,705 of exploration and evaluation assets contributed to the Kami Partnership. Refer to note 9 — Exploration and Evaluation Assets.

		As at September 30,
	Notes	2025
Joint venture's contribution note	10	68,600
Investment in a joint venture	21	62,057

No significant changes occurred in connection with key management personnel during the three and six-month periods ended September 30, 2025.

23. Commitments and Contingencies

The Company's future minimum payments of commitments as at September 30, 2025 are as follows:

	Less than a year	1 to 5 years	More than 5 years	Total
Impact and Benefits Agreement with the Innu community	7,153	33,096	115,623	155,872
Take-or-pay fees related to the Port Agreement	8,200	36,541	98,250	142,991
Capital expenditure obligations	34,942	—	—	34,942
Other obligations	66,292	6,199	150	72,641
	116,587	75,836	214,023	406,446

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

In September 2025, the Company and the Partners entered into a definitive partnership agreement as outlined in note 3 — Kami Iron Mine Partnership, as a result of which the Partners made initial cash contributions in the Kami Partnership and committed to further contribute \$176,400. Subsequent cash contributions of the Partners are subject to the completion of a definitive feasibility study, Champion and the Partners proceeding with positive interim investment elections to pursue work towards a final investment decision, as well as other customary closing conditions. Until a final investment decision is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests. The Partners are expected to make further contributions on a pro-rata basis for expenses necessary to advance the Kami Project towards a potential interim investment decision and, ultimately, a potential final investment decision.

Contingent upon the Kami Project advancing to commercial production, the Company will be subject to a fixed production payment on future tonnes sold.

The Company is also subject to limited production payments on its Consolidated Fire Lake North, Lac Lam    , Moir   Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

24. Financial Information Included in the Consolidated Statements of Cash Flows

a) Changes in non-cash operating working capital

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Receivables	(85,985)	25,449	(17,036)	(68,626)
Prepaid expenses and advances	3,518	(956)	(3,216)	(9,764)
Inventories	15,803	(5,710)	56,546	(6,198)
Advance payments	1,557	6,180	6,073	11,513
Accounts payable and other	32,419	64,692	(22,894)	76,936
Income and mining taxes receivable or payable	(8,521)	(44,609)	(18,753)	(57,899)
Other long-term liabilities	(783)	(164)	(3,381)	(6,394)
	(41,992)	44,882	(2,661)	(60,432)

b) Reconciliation of additions presented in the property, plant and equipment schedule to the net cash flows used in investing activities

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Additions of property, plant and equipment as per note 8	128,338	182,190	264,687	298,835
Additions of right-of-use assets	(4,799)	(1,204)	(33,969)	(2,054)
Depreciation of property, plant and equipment allocated to stripping activity asset	(2,481)	(1,255)	(3,480)	(1,255)
Non-cash increase of the asset related to provisions	(562)	(405)	(1,187)	(646)
Government grant recognized	607	—	607	—
Government grant received	(202)	—	(202)	—
Non-cash capitalization of borrowing costs	(7,702)	(144)	(7,882)	(237)
Net cash flows used in investing activities - Purchase of property, plant and equipment	113,199	179,182	218,574	294,643

c) Reconciliation of depreciation presented in the property, plant and equipment schedule to the consolidated statements of income

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Depreciation of property, plant and equipment as per note 8	40,537	35,061	81,362	74,516
Depreciation of property, plant and equipment allocated to stripping activity asset	(2,481)	(1,255)	(3,480)	(1,255)
Depreciation of intangible assets	753	354	1,495	711
Net effect of depreciation of property, plant and equipment allocated to inventory	6,299	1,113	12,527	(3,175)
Depreciation as per consolidated statements of income	45,108	35,273	91,904	70,797

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

24. Financial Information Included in the Consolidated Statements of Cash Flows (continued)

d) Changes in liabilities arising from financing activities

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Opening balance - Long-Term Debt	743,446	531,421	707,301	539,428
Cash from (used in) financing activities				
Issuance	681,100	—	765,600	—
Repayment	(465,125)	(6,363)	(483,462)	(18,999)
New transaction costs	(14,329)	—	(14,329)	(314)
Non-cash changes				
Embedded derivative recognition	11,854	—	11,854	—
Foreign exchange movement	17,637	(5,671)	(13,127)	(1,482)
Amortization of transaction costs and accretion	2,986	767	3,732	1,521
Ending balance - Long-Term Debt	977,569	520,154	977,569	520,154

	Three Months Ended September 30,		Six Months Ended September 30,	
	2025	2024	2025	2024
Opening balance - Lease Liabilities	107,020	76,698	92,335	76,978
Cash from (used in) financing activities				
Capital payments	(5,742)	(2,801)	(10,479)	(5,581)
Interest expense	1,540	988	2,988	2,008
Non-cash changes				
Foreign exchange movement	1,651	(867)	(2,298)	(237)
New lease liabilities (i)	4,799	1,204	30,374	2,054
Lease modification	—	(833)	(3,652)	(833)
Ending balance - Lease Liabilities	109,268	74,389	109,268	74,389

(i) New lease liabilities for the six-month period ended September 30, 2025, differ from the additions of right-of-use assets presented in note 8 — Property, Plant and Equipment, as they excluded \$3,595 of deposits paid in advance to secure the delivery of equipment.

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

25. Segmented Information

The Company is conducting mining operations and exploration and evaluation activities in Canada. The operating segments reflect the management structure of the Company and are consistent with the internal reporting reviewed by the Company's chief operating decision-maker to assess the business performance and make strategic decisions. The Company evaluates the performance of its operating segments primarily based on segment operating income, as defined below. The Bloom Lake mine site, which is comprised of two facilities in operation, was identified as a segment, namely Iron Ore Concentrate. Exploration and Evaluation and Corporate were identified as separate segments due to their specific nature.

Three Months Ended September 30, 2025	Iron Ore Concentrate	Exploration and Evaluation	Corporate	Total
Revenues	492,890	—	—	492,890
Cost of sales	(293,398)	—	—	(293,398)
Depreciation	(44,480)	(44)	(584)	(45,108)
Gross profit (loss)	155,012	(44)	(584)	154,384
Share-based payments	—	—	(4,618)	(4,618)
General and administrative expenses	—	—	(9,894)	(9,894)
Sustainability and other community expenses	(2,168)	—	(2,725)	(4,893)
Innovation and growth initiatives	—	—	(2,243)	(2,243)
Operating income (loss)	152,844	(44)	(20,064)	132,736
Net finance costs, other expenses and tax expenses				(75,942)
Net income				56,794
Segmented total assets	3,125,580	98,905	213,865	3,438,350
Segmented total liabilities	(1,120,838)	—	(818,086)	(1,938,924)
Segmented property, plant and equipment	2,207,590	2,950	8,601	2,219,141

Three Months Ended September 30, 2024	Iron Ore Concentrate	Exploration and Evaluation	Corporate	Total
Revenues	350,980	—	—	350,980
Cost of sales	(252,960)	—	—	(252,960)
Depreciation	(34,738)	(31)	(504)	(35,273)
Gross profit (loss)	63,282	(31)	(504)	62,747
Share-based payments	—	—	(4,801)	(4,801)
General and administrative expenses	—	—	(12,114)	(12,114)
Sustainability and other community expenses	(1,835)	—	(2,834)	(4,669)
Innovation and growth initiatives	—	—	(1,569)	(1,569)
Operating income (loss)	61,447	(31)	(21,822)	39,594
Net finance costs, other expenses and tax expenses				(19,787)
Net income				19,807
Segmented total assets	2,624,073	141,276	36,244	2,801,593
Segmented total liabilities	(1,326,261)	—	(28,932)	(1,355,193)
Segmented property, plant and equipment	1,754,332	2,058	9,920	1,766,310

Champion Iron Limited

Notes to the Condensed Interim Consolidated Financial Statements

[Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited]

25. Segmented Information (continued)

Six Months Ended September 30, 2025	Iron Ore Concentrate	Exploration and Evaluation	Corporate	Total
Revenues	882,917	—	—	882,917
Cost of sales	(607,326)	—	—	(607,326)
Depreciation	(90,685)	(88)	(1,131)	(91,904)
Gross profit (loss)	184,906	(88)	(1,131)	183,687
Share-based payments	—	—	(4,301)	(4,301)
General and administrative expenses	—	—	(22,475)	(22,475)
Sustainability and other community expenses	(4,009)	—	(5,461)	(9,470)
Innovation and growth initiative expenses	—	—	(4,114)	(4,114)
Operating income (loss)	180,897	(88)	(37,482)	143,327
Net finance costs, other expenses and tax expenses				(62,749)
Net income				80,578
Segmented total assets	3,125,580	98,905	213,865	3,438,350
Segmented total liabilities	(1,120,838)	—	(818,086)	(1,938,924)
Segmented property, plant and equipment	2,207,590	2,950	8,601	2,219,141

Six Months Ended September 30, 2024	Iron Ore Concentrate	Exploration and Evaluation	Corporate	Total
Revenues	818,064	—	—	818,064
Cost of sales	(517,871)	—	—	(517,871)
Depreciation	(69,766)	(62)	(969)	(70,797)
Gross profit (loss)	230,427	(62)	(969)	229,396
Share-based payments	—	—	(7,193)	(7,193)
General and administrative expenses	—	—	(24,464)	(24,464)
Sustainability and other community expenses	(3,532)	—	(5,678)	(9,210)
Innovation and growth initiative expenses	—	—	(3,445)	(3,445)
Operating income (loss)	226,895	(62)	(41,749)	185,084
Net finance costs, other expenses and tax expenses				(83,920)
Net income				101,164
Segmented total assets	2,624,073	141,276	36,244	2,801,593
Segmented total liabilities	(1,326,261)	—	(28,932)	(1,355,193)
Segmented property, plant and equipment	1,754,332	2,058	9,920	1,766,310

26. Subsequent Event

On October 29, 2025 (Montréal) / October 30, 2025 (Sydney), the Board declared a semi-annual dividend of \$0.10 per ordinary share of the Company in connection with the semi-annual results for the period ended September 30, 2025, payable on November 27, 2025 (Montréal and Sydney), to registered shareholders at the close of business in Australia and Canada on November 12, 2025.