



## QUARTERLY ACTIVITIES REPORT

### CHAMPION IRON REPORTS ITS FY2026 SECOND QUARTER RESULTS, DECLARES DIVIDEND AND ADVANCES THE DRPF PROJECT AS SCHEDULED

- Quarterly production of 3.6M wmt, record sales of 3.9M dmt, revenue of \$493M, EBITDA of \$175M<sup>1</sup> and EPS of \$0.11
  - Declares ninth consecutive semi-annual dividend of \$0.10 per ordinary share
- DRPF project advancing as scheduled towards an expected start of commissioning in December 2025
  - Reduced iron ore concentrate inventories stockpiled at Bloom Lake by 0.5M wmt to 1.7M wmt

**MONTREAL, October 29, 2025 / SYDNEY, October 30, 2025** - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ("**Champion**" or the "**Company**") reports its operational and financial results for its financial second quarter ended September 30, 2025.

Champion's CEO, Mr. David Cataford, said, "We successfully capitalized on rising iron ore prices by delivering robust quarterly financial results, while completing our scheduled semi-annual maintenance at our site and on the third-party railway. I'm especially proud of our teams' commitment to operating Bloom Lake sustainably while optimizing operations and advancing the DRPF project towards its completion. We are pleased to have formalized the strategic partnership with Nippon Steel and Sojitz to advance the Kami Project through the ongoing definitive feasibility study. With robust financial liquidity, we remain focused on maximizing shareholder value while creating a positive impact for our host communities."

#### **Conference Call Details**

Champion will host a conference call and webcast on October 30, 2025, at 9:00 AM (Montréal time) / October 31, 2025, at 12:00 AM (Sydney time) to discuss the results of the financial second quarter ended September 30, 2025. The conference call details are set out at the end of this quarterly activities report.

## 1. Quarterly Highlights

#### **Operations and Sustainability**

- No serious workplace-related injuries or major environmental incidents were reported during the three-month period ended September 30, 2025;
- Quarterly production of 3.6 million wmt of high-grade 66.5% Fe concentrate for the three-month period ended September 30, 2025, up 12% over the same period last year. Quarterly production compares favourably to that of the fourth quarter of the 2025 financial year, during which the Company also completed scheduled semi-annual maintenance of both concentration plants;

- Record quarterly sales of 3.9 million dmt were achieved for the three-month period ended September 30, 2025, up 18% from the same prior-year period, reducing iron ore concentrate stockpiled at Bloom Lake by 477,000 wmt quarter-over-quarter, and bringing the total to 1.7 million wmt as at September 30, 2025; and
- Strong mining performance with a record 22.9 million wmt of material mined and hauled at Bloom Lake for the three-month period ended September 30, 2025, an increase of 23% compared to the same period last year, driven by the optimization and recent deployment of additional mining equipment.

## Financial Results

- Gross average realized selling price of US\$114.2/dmt<sup>1</sup>, compared to the P65 index average price of US\$117.4/dmt in the period;
- Net average realized selling price of US\$92.9/dmt<sup>1</sup>, an increase of 27% quarter-over-quarter and 18% year-over-year;
- C1 cash cost for the iron ore concentrate loaded onto vessels at the Port of Sept-Îles totalled \$76.2/dmt<sup>1</sup> (US\$55.3/dmt)<sup>2</sup>, representing a decrease of 7% quarter-over-quarter and 2% year-over-year;
- Net income of \$56.8 million, representing EPS of \$0.11, compared to \$23.8 million with EPS of \$0.05 in the previous quarter, and \$19.8 million with EPS of \$0.04 in the same prior-year period;
- EBITDA of \$174.8 million<sup>1</sup>, compared to \$57.8 million<sup>1</sup> quarter-over-quarter and \$74.5 million<sup>1</sup> year-over-year;
- Cash balance, excluding the initial cash contributions from Nippon Steel Corporation (“Nippon Steel”) and Sojitz Corporation (“Sojitz”, and collectively with Nippon Steel, the “Partners”) held in a restricted cash account by Kami Iron Mine Partnership (the “Kami Partnership”), totalled \$325.5 million as at September 30, 2025, an increase of \$149.5 million since June 30, 2025, benefiting from the proceeds of the US\$500 million Senior Unsecured Notes issuance on July 2, 2025, and robust cash flows from operating activities, partially offset by the senior credit facilities repayment, significant capital expenditure and the dividend payment;
- Strong available liquidity to support growth initiatives and general corporate purposes totalled \$840.4 million<sup>1</sup> as at September 30, 2025, compared to \$536.6 million<sup>1</sup> as at June 30, 2025, mainly attributable to the net proceeds of long-term debt; and
- Semi-annual dividend of \$0.10 per ordinary share declared on October 29, 2025 (Montréal) / October 30, 2025 (Sydney), in connection with the semi-annual results for the period ended September 30, 2025.

## DRPF Project Update

- The DRPF project, designed to upgrade half of Bloom Lake’s capacity to DR quality pellet feed iron ore grading up to 69% Fe, is progressing as scheduled, with initial commissioning expected to begin in December 2025 and commercial shipments of DR quality iron anticipated by the end of the first half of the 2026 calendar year, gradually increasing thereafter.
- Quarterly and cumulative investments totalled \$20.6 million and \$407.6 million, respectively, as at September 30, 2025. The Company expects to advance the project into the commissioning phase with an approximate cumulative investment of \$500 million, in line with the inflation-adjusted estimated total capital expenditure of \$470.7 million detailed in the project study highlights released in January 2023; and
- Through its ongoing discussions with prospective customers, including in the Middle East and North Africa, the Company expects to secure commercial agreements for its anticipated production of DR quality iron ore, which is expected to attract pricing premiums over the Company’s existing high-purity iron ore concentrate.

## Kami Project Update

- On September 29, 2025, the Company completed the initial closing (the “Initial Closing”) of the transactions contemplated by the previously announced framework agreement with Nippon Steel and Sojitz for the joint ownership and potential development of the Kami Project (the “Framework Agreement”). Concurrently with the Initial Closing, the Partners made their initial cash contributions in an aggregate amount of \$68.6 million, out of a total planned cash contribution of \$245 million, and paid their pro-rata share of the feasibility study costs already incurred by the Company. Following the Initial Closing, the Company holds a 51% interest in the Kami Partnership; and

- Submitted the Environmental Impact Statement required by the Government of Newfoundland and Labrador in July 2025 and continued work on the Kami Project's DFS, which is expected to be completed by the end of the 2026 calendar year.

## 2. Bloom Lake Mine Operating Activities

The Company performs the scheduled maintenance of both of its plants in the second and fourth financial quarters, which may create significant quarter-over-quarter variances in production output and mining and processing costs.

|                                     | Q2 FY26           | Q1 FY26    | Q/Q Change | Q2 FY25    | Y/Y Change |
|-------------------------------------|-------------------|------------|------------|------------|------------|
| <b>Operating Data</b>               |                   |            |            |            |            |
| Waste mined and hauled (wmt)        | <b>12,888,300</b> | 10,963,600 | 18 %       | 9,323,600  | 38 %       |
| Ore mined and hauled (wmt)          | <b>10,016,000</b> | 10,070,700 | (1)%       | 9,287,100  | 8 %        |
| Material mined and hauled (wmt)     | <b>22,904,300</b> | 21,034,300 | 9 %        | 18,610,700 | 23 %       |
| Stripping ratio                     | <b>1.29</b>       | 1.09       | 18 %       | 1.00       | 29 %       |
| Ore milled (wmt)                    | <b>9,967,600</b>  | 10,500,700 | (5)%       | 9,125,000  | 9 %        |
| Head grade Fe (%)                   | <b>29.6</b>       | 28.2       | 5 %        | 29.1       | 2 %        |
| Fe recovery (%)                     | <b>79.6</b>       | 78.2       | 2 %        | 78.7       | 1 %        |
| Product Fe (%)                      | <b>66.5</b>       | 66.3       | — %        | 66.3       | — %        |
| Iron ore concentrate produced (wmt) | <b>3,551,600</b>  | 3,520,600  | 1 %        | 3,170,100  | 12 %       |
| Iron ore concentrate sold (dmt)     | <b>3,850,900</b>  | 3,831,800  | — %        | 3,265,700  | 18 %       |

Bloom Lake produced 3.6 million wmt of high-grade iron ore concentrate during the three-month period ended September 30, 2025, an increase of 12% compared to 3.2 million wmt produced during the same period in 2024, during which production was interrupted for approximately one week due to nearby forest fires in July 2024.

The Company recently encountered higher ore hardness, partly attributable to a specific extension of a pit being mined to enable shorter haul access to waste dumps. Despite the impact of this ore hardness, quarterly production was positively impacted by increased recoveries resulting from the improved performance of the gravimetric systems following work programs and optimization of operations. As a result, during the three-month period ended September 30, 2025, the Fe recovery was 79.6%, compared to 78.7% for the same period in 2024. While the recovery rates are expected to fluctuate in accordance with the mine plan and its variations in ore grade, the Company will remain focused on improving and stabilizing recovery rates over time. The ore hardness challenge is expected to moderate in upcoming periods as the Company continues to deliver strong mining performance, which should allow it to optimize the blending of material from different pits.

During the three-month period ended September 30, 2025, despite a shutdown of third-party rail operations for infrastructure maintenance lasting several days, sales volumes exceeded production for the third consecutive quarter, thereby reducing the level of iron ore concentrate stockpiled at Bloom Lake by 477,000 wmt to reach 1.7 million wmt as at September 30, 2025. The Company expects that stockpiled volumes of iron ore concentrate will continue to decrease in future periods. However, the pace of future destocking is expected to vary due to scheduled semi-annual maintenance work at the mine and on the rail network, as well as seasonal transportation constraints. Champion continues to work closely with the rail operator to receive consistent contracted haulage services, ensuring that both ongoing production and existing stockpiles at Bloom Lake are hauled over future periods.

During the three-month period ended September 30, 2025, the Company set a new record by mining and hauling 22.9 million tonnes of waste and ore, surpassing the 18.6 million tonnes of waste and ore recorded in the same prior-year period. This improvement in mining performance was driven by Champion's investments in additional haul trucks and loading equipment during the second half of the previous financial year, as well as enhanced utilization and availability of mining equipment. The strong mining performance enabled the Company to mine and haul a higher volume of waste material, resulting in a stripping ratio of 1.29 for the three-month period ended September 30, 2025, higher than the 1.00 ratio recorded in the same prior-year period. Champion anticipates maintaining elevated stripping activity in upcoming periods, consistent with its LoM plan.

### 3. Financial Performance

|                                                   | Q2 FY26        | Q1 FY26  | Q/Q Change | Q2 FY25 | Y/Y Change |
|---------------------------------------------------|----------------|----------|------------|---------|------------|
| <b>Financial Data</b> (in thousands of dollars)   |                |          |            |         |            |
| Revenues                                          | <b>492,890</b> | 390,027  | 26 %       | 350,980 | 40 %       |
| Cost of sales                                     | <b>293,398</b> | 313,928  | (7)%       | 252,960 | 16 %       |
| Other expenses                                    | <b>21,648</b>  | 18,712   | 16 %       | 23,153  | (7)%       |
| Net finance costs (income)                        | <b>25,643</b>  | (13,256) | (293)%     | 7,486   | 243 %      |
| Net income                                        | <b>56,794</b>  | 23,784   | 139 %      | 19,807  | 187 %      |
| EBITDA <sup>1</sup>                               | <b>174,823</b> | 57,753   | 203 %      | 74,536  | 135 %      |
| <b>Statistics</b> (in dollars per dmt sold)       |                |          |            |         |            |
| Gross average realized selling price <sup>1</sup> | <b>157.5</b>   | 146.0    | 8 %        | 161.8   | (3)%       |
| Net average realized selling price <sup>1</sup>   | <b>128.0</b>   | 101.8    | 26 %       | 107.5   | 19 %       |
| C1 cash cost <sup>1</sup>                         | <b>76.2</b>    | 81.9     | (7)%       | 77.5    | (2)%       |
| AISC <sup>1</sup>                                 | <b>96.9</b>    | 96.2     | 1 %        | 101.4   | (4)%       |
| Cash operating margin <sup>1</sup>                | <b>31.1</b>    | 5.6      | 455 %      | 6.1     | 410 %      |

#### A. Revenues

Revenues totalled \$492.9 million for the three-month period ended September 30, 2025, up \$141.9 million from revenues of \$351.0 million in the same period in 2024. Higher revenues were mainly attributable to an 18% increase in sales volume year-over-year, despite the scheduled semi-annual maintenance of third-party rail operations in September 2025, and positive provisional pricing adjustments on sales recorded during the quarter ended June 30, 2025. Freight and other costs declined by 16% year-over-year and also positively impacted revenues during the period.

Positive provisional pricing adjustments on prior-quarter sales of \$40.9 million (US\$30.0 million) were recorded during the three-month period ended September 30, 2025, representing a positive impact of US\$7.8/dmt for the 3.9 million dmt sold during the quarter. A final average price of US\$112.4/dmt was established for the 2.5 million dmt of iron ore subject to pricing adjustments as at June 30, 2025, which were provisionally priced at US\$100.2/dmt.

For the three-month period ended September 30, 2025, the gross average realized selling price of US\$114.2/dmt<sup>1</sup> was lower than the P65 index average price of US\$117.4/dmt. The 2.5 million dmt of iron ore subject to pricing adjustments as at September 30, 2025, were evaluated using an average forward price of US\$113.8/dmt. Sales contracts using backward-looking iron ore index pricing also contributed to lower selling prices as index prices on these contracts were lower than the P65 index average price during the period. The gross average realized selling price was also negatively impacted by the Company's strategic transition to a higher grade DRPF product. As part of this shift, Champion intentionally reduced volumes of iron ore concentrate sold under long-term sales contracts to retain a greater proportion of its iron ore concentrate for the short-term and spot markets, which have recently experienced greater pricing volatility and pricing discounts.

Freight and other costs of US\$29.1/dmt, during the three-month period ended September 30, 2025, decreased by 16%, compared to US\$34.7/dmt in the same prior-year period due to a 12% decrease in the average C3 index. Sales contracts using backward-looking pricing also contributed to the reduction of freight costs as the C3 index used was lower than the average index for the period.

After taking into account sea freight and other costs of US\$29.1/dmt and the positive provisional pricing adjustments of US\$7.8/dmt, the Company obtained a net average realized selling price of US\$92.9/dmt (C\$128.0/dmt<sup>1</sup>) for its high-grade iron ore concentrate shipped during the quarter.

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

For the three-month period ended September 30, 2025, the cost of sales totalled \$293.4 million with a C1 cash cost of \$76.2/dmt<sup>1</sup>, compared to \$253.0 million with a C1 cash cost of \$77.5/dmt<sup>1</sup> for the same period in 2024.

Mining and processing costs totalled \$52.9/dmt<sup>1</sup> for the 3.4 million dmt produced in the three-month period ended September 30, 2025, representing an 8% decrease compared to \$57.7/dmt produced<sup>1</sup> in the same period last year. This decrease was mainly driven by higher production volumes over which to amortize fixed costs. The plants' utilization was negatively affected in the comparative period by nearby forest fires in

July 2024, whereas it was not in the current period. Despite a portion of the ore feed from a harder ore mining sequence, which is expected to decline in the near future, the increase in production volumes was also associated with higher head grade, and improved recovery rates which positively impacted mining and processing costs during the period as the Company produced higher quantities of iron ore concentrate without increasing mining costs proportionally. This gain reflects the Company's ongoing processing optimization and adjustments to its ore blending strategies.

Land transportation and port handling costs for the three-month period ended September 30, 2025, were \$24.4/dmt sold<sup>1</sup>, a decrease from the \$26.7/dmt sold<sup>1</sup> for the same prior-year period. This decrease was mainly attributable to higher sales volumes during the period, which contributed to the amortization of fixed costs for the Sept-Îles port yard facilities.

The C1 cash cost can also be impacted by changes in iron ore concentrate inventory valuation, which incorporate mining and processing costs from the previous quarters, along with variations in production and sales volumes. Considering the scheduled semi-annual maintenance completed during the quarter, cash cost per tonne for the period was not significantly impacted by the destocking of iron ore inventories, as the tonnes destocked carried approximately the same value as the cost of those produced in the period. The Company expects to continue incurring costs to manage and reclaim stockpiles as it destocks iron ore inventories in future periods.

### **C. Net Income & EBITDA**

For the three-month period ended September 30, 2025, the Company generated EBITDA of \$174.8 million<sup>1</sup>, representing an EBITDA margin of 35%<sup>1</sup>, compared to \$74.5 million<sup>1</sup>, representing an EBITDA margin of 21%<sup>1</sup>, for the same period in 2024. Higher EBITDA and EBITDA margins were mainly driven by higher sales volumes, a higher net average realized selling price and a lower cash cost.

For the three-month period ended September 30, 2025, the Company generated net income of \$56.8 million (EPS of \$0.11), compared to \$19.8 million (EPS of \$0.04) for the same prior-year period. This increase in net income was attributable to a higher gross profit, partially offset by an unrealized foreign exchange loss resulting from the revaluation of net monetary liabilities denominated in U.S. dollars and higher income and mining taxes.

### **D. All-in Sustaining Cost & Cash Operating Margin**

During the three-month period ended September 30, 2025, the Company realized an AISC of \$96.9/dmt<sup>1</sup>, compared to \$101.4/dmt<sup>1</sup> for the same period in 2024. With sustaining capital expenditures and general and administrative expenses mostly in line with the comparative period, higher iron ore concentrate sales led to lower unit costs, favourably impacting AISC for the period.

The Company generated a cash operating margin of \$31.1/dmt<sup>1</sup> for each tonne of high-grade iron ore concentrate sold during the three-month period ended September 30, 2025, compared to \$6.1/dmt<sup>1</sup> for the same prior-year period. The variation was due to a higher net average realized selling price and a lower AISC for the period.

## **4. Exploration Activities**

During the three and six-month periods ended September 30, 2025, the Company maintained all its properties in good standing and did not enter into any farm-in arrangements.

During the three and six-month periods ended September 30, 2025, the Company transferred its Kami properties to the Kami Partnership and an aggregate 49% interest in the Kami Partnership was acquired by Nippon Steel and Sojitz in exchange for cash contributions. The Kami Partnership was created to jointly conduct and fund certain components of the DFS on a pro-rata basis, in accordance with the Partners' respective ownership interests.

During the three and six-month periods ended September 30, 2025, \$6.4 million and \$15.2 million in exploration and evaluation expenditures were incurred, respectively, compared to \$4.8 million and \$7.4 million, respectively, for the same prior-year periods. Exploration and evaluation expenditures were related to activities carried out in Québec and Newfoundland and Labrador. Details on exploration projects, along with maps, are available on the Company's website at [www.championiron.com](http://www.championiron.com) under the [Operations & Projects](#) section.

## 5. Cash Flows — Purchase of Property, Plant and Equipment

|                                                                    | Three Months Ended<br>September 30, |                | Six Months Ended<br>September 30, |                |
|--------------------------------------------------------------------|-------------------------------------|----------------|-----------------------------------|----------------|
| (in thousands of dollars)                                          | 2025                                | 2024           | 2025                              | 2024           |
| Tailings lifts                                                     | 23,481                              | 27,997         | 38,247                            | 44,101         |
| Stripping and mining activities                                    | 18,739                              | 17,582         | 31,714                            | 27,907         |
| Other sustaining capital expenditures                              | 27,690                              | 20,340         | 42,190                            | 31,919         |
| <b>Sustaining Capital Expenditures</b>                             | <b>69,910</b>                       | <b>65,919</b>  | <b>112,151</b>                    | <b>103,927</b> |
| DRPF project                                                       | 20,614                              | 64,677         | 68,074                            | 123,142        |
| Other capital development expenditures at Bloom Lake               | 22,675                              | 48,586         | 38,349                            | 67,574         |
| <b>Purchase of Property, Plant and Equipment as per Cash Flows</b> | <b>113,199</b>                      | <b>179,182</b> | <b>218,574</b>                    | <b>294,643</b> |

### Sustaining Capital Expenditures

The tailings-related investments for the three and six-month periods ended September 30, 2025, were in line with the Company's long-term plan to support the LoM operations. As part of its ongoing tailings infrastructure monitoring and inspections, Champion remains committed to its safe tailings strategy and continues to implement its long-term investment plan for tailings infrastructure. During the third quarter of the 2025 financial year, the Company initiated the expansion of its tailings and waste storage capacity to accommodate increased operational throughput. Tailings-related construction activities are typically conducted between May and November, when weather conditions on-site are more favourable.

Stripping and mining activities for the three and six-month periods ended September 30, 2025, were comprised of \$7.3 million and \$15.1 million, respectively, of mine development costs, including topographic and pre-cut drilling work, the details of which are contained in the Company's mine plan (\$11.7 million and \$22.0 million, respectively, for the same periods in 2024). During the three and six-month periods ended September 30, 2025, stripping and mining activities also included \$11.4 million and \$16.6 million, respectively, in capitalized stripping costs (\$5.9 million for each of the same periods in 2024).

Other sustaining capital expenditures for the three and six-month periods ended September 30, 2025, included expenditures related to mining equipment rebuild programs. These are aligned with the Company's long-term investment strategy to support growth initiatives across the LoM.

### DRPF Project

During the three and six-month periods ended September 30, 2025, the Company spent \$20.6 million and \$68.1 million, respectively, in capital expenditures related to the DRPF project (\$64.7 million and \$123.1 million, respectively, for the same prior-year periods). Investments during the year mainly consisted of construction activities, including mechanical, piping and electrical work, all of which are progressing as planned. Cumulative investments totalled \$407.6 million as at September 30, 2025.

### Other Capital Development Expenditures at Bloom Lake

During the three and six-month periods ended September 30, 2025, other capital development expenditures at Bloom Lake totalled \$22.7 million and \$38.3 million, respectively (\$48.6 million and \$67.6 million, respectively, for the same periods in 2024), and are detailed as follows:

|                                                             | Three Months Ended<br>September 30, |               | Six Months Ended<br>September 30, |               |
|-------------------------------------------------------------|-------------------------------------|---------------|-----------------------------------|---------------|
| (in thousands of dollars)                                   | 2025                                | 2024          | 2025                              | 2024          |
| Infrastructure improvements and conformity (i)              | 12,172                              | 14,907        | 15,191                            | 25,065        |
| Mine maintenance garage expansion                           | —                                   | 3,680         | 457                               | 7,463         |
| Deposits or final payment for mining equipment              | 9,404                               | 16,668        | 15,623                            | 19,420        |
| Railcars                                                    | —                                   | 9,723         | —                                 | 9,723         |
| Other (ii)                                                  | 1,099                               | 3,608         | 7,078                             | 5,903         |
| <b>Other Capital Development Expenditures at Bloom Lake</b> | <b>22,675</b>                       | <b>48,586</b> | <b>38,349</b>                     | <b>67,574</b> |

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

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

## 6. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on October 30, 2025, at 9:00 AM (Montréal time) / October 31, 2025, at 12:00 AM (Sydney time). Listeners may access a live webcast of the conference call from the Investors section of the Company's website at [www.championiron.com/investors/events-presentations](http://www.championiron.com/investors/events-presentations) or by dialing toll free +1-888-699-1199 within North America or +61-2-8017-1385 from Australia.

An online archive of the webcast will be available by accessing the Company's website at [www.championiron.com/investors/events-presentations](http://www.championiron.com/investors/events-presentations). A telephone replay will be available for one week after the call by dialing +1-888-660-6345 within North America or +1-289-819-1450 overseas, and entering passcode 11410#.

### **About Champion Iron Limited**

Champion, through QIO, owns and operates the Bloom Lake Mining Complex 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 15M wmt 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. Bloom Lake's high-grade and lower contaminant iron ore products have attracted a premium to the P62 index. Champion ships its 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, an entity also owned by Nippon Steel Corporation and Sojitz Corporation, which owns the Kami Project. The Kami Project is located near available infrastructure and 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.

### **Cautionary Note Regarding Forward-Looking Statements**

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

### **Specific Forward-Looking Statements**

All statements, other than statements of historical facts, included in this quarterly activities report that address future events, developments or performance that Champion expects to occur are Forward-Looking Statements. Forward-Looking Statements include, among other things, Management's expectations regarding: (i) the project to upgrade the Bloom Lake iron ore concentrate to a higher grade and to convert approximately half of Bloom Lake's increased nameplate capacity of 15M wmt per year to commercially produce a direct reduction quality pellet feed iron ore (the DRPF project), expected DRPF project timeline, capital expenditures, budget and financing, production metrics, technical parameters, pricing premiums, efficiencies, economic and other benefits, related engagement with, and expectations with respect to, prospective customers, the expected commissioning, first shipments of iron ore and ramping-up of the DRPF project and the impact thereof on production, sales and financial results and the timing thereof; (ii) the Kami Project Study (including LoM), the DFS for the Kami Project and its timing and the Kami Project's potential to produce a DR grade product; (iii) the partnership with Nippon Steel and Sojitz with respect to the Kami Project, the Partners' cash contributions to the Kami Partnership, the ability of Champion to realize on the benefits of the transactions contemplated by the

Framework Agreement and the ability and timing for the parties to the Framework Agreement to fund cash calls to advance the development of the Kami Project and pursue its development, future cash calls, funding thereof and the impact thereof on the Company's liquidity; (iv) the Company's capital management and shareholder return strategies; (v) the Company's environmental, social and governance-related initiatives; (vi) the shift in steel industry production methods, expected rising demand for higher-grade iron ore products and DRI globally and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including the transition of the Company's product offering (including producing high-quality DRPF products) and the expansion of its geography and customer base, related investments and expected benefits thereof; (vii) maintaining elevated stripping activities; (viii) stockpiled ore levels, the pace of destocking, shipping and sales of accumulated iron ore concentrate inventories and their impact on the operating costs and the cost of sales; (ix) increased shipments of iron ore concentrate; (x) the Company's plan to support LoM operations, safe tailings strategy, tailings investment plan, storage expansion and related work programs, investments and benefits; (xi) production and recovery rates and levels, ore characteristics and the Company's performance and related strategies and work programs to optimize operations, including ore blending optimization; (xii) pricing of the Company's products (including provisional pricing); (xiii) available liquidity and the Company's financial flexibility; and (xiv) the Company's growth and opportunities generally.

## **Risks**

Although Champion believes the expectations expressed in such Forward-Looking Statements are based on reasonable assumptions, such Forward-Looking Statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such Forward-Looking Statements. Factors that could cause actual results to differ materially from those expressed in Forward-Looking Statements include, without limitation: (i) future prices of iron ore; (ii) future transportation costs; (iii) general economic, competitive, political and social uncertainties; (iv) continued availability of capital and financing and general economic, market or business conditions; (v) timing and uncertainty of industry shift to electric arc furnaces, impacting demand for high-grade feed; (vi) failure of plant, equipment or processes to operate as anticipated; (vii) delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; (viii) the results of feasibility studies; (ix) changes in the assumptions used to prepare feasibility studies; (x) project delays; (xi) geopolitical events; and (xii) the effects of catastrophes and public health crises on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's Management's Discussion and Analysis for the financial year ended March 31, 2025, available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.championiron.com](http://www.championiron.com).

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

## **Additional Updates**

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

## **Abbreviations**

Unless otherwise specified, all dollar figures stated herein are expressed in millions of Canadian dollars, except for: (i) tabular amounts which are expressed in thousands of Canadian dollars; and (ii) per share or per tonne (including dmt and wmt) amounts, which are expressed in Canadian dollars or United States dollars, as indicated. The following abbreviations and definitions are used throughout this quarterly activities report: US\$ (United States dollar), C\$ (Canadian dollar), Fe (iron ore), wmt (wet metric tonnes), dmt (dry metric tonnes), M (million), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), DR (direct reduction), DRPF (direct reduction pellet feed), DFS (definitive feasibility study),

Kami Project (Kamistiatusset project), P62 index (Platts IODEX 62% Fe CFR China index), P65 index (Platts IODEX 65% Fe CFR China index), C3 index (C3 Baltic Capesize index), EBITDA (earnings before income and mining taxes, net finance costs and depreciation), AISC (all-in sustaining cost), EPS (earnings per share) and Management (Champion's management team). The utilization of "Champion" or the "Company" refers to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. The term "IFRS" refers to International Financial Reporting Standards as issued by the International Accounting Standards Board. The term "QIO" refers to Quebec Iron Ore Inc., the Company's subsidiary and operator of Bloom Lake.

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This document has been authorized for release to the market by the Board of Directors.

The Company's unaudited Condensed Consolidated Financial Statements for the three and six-month periods ended September 30, 2025 (the "Financial Statements") and associated Management's Discussion and Analysis ("MD&A") are available under the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)), the ASX ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.championiron.com](http://www.championiron.com)).

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<sup>1</sup> This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the section below — Non-IFRS and Other Financial Measures for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable. Additional details for these non-IFRS and other financial measures, have been incorporated by reference and can be found in section 21 of the Company's MD&A for the three and six-month periods ended September 30, 2025, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company's website under the Investors section at [www.championiron.com](http://www.championiron.com).

<sup>2</sup> See the "Currency" subsection included in section 7 — Key Drivers of the MD&A for the three and six-month periods ended September 30, 2025, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company's website under the Investors section at [www.championiron.com](http://www.championiron.com).

### Non-IFRS and Other Financial Measures

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

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

### EBITDA and EBITDA Margin

| (in thousands of dollars)             | Q2 FY26        | Q1 FY26  | Q2 FY25 |
|---------------------------------------|----------------|----------|---------|
| Income before income and mining taxes | 104,072        | 24,213   | 31,777  |
| Net finance costs (income)            | 25,643         | (13,256) | 7,486   |
| Depreciation                          | 45,108         | 46,796   | 35,273  |
| <b>EBITDA</b>                         | <b>174,823</b> | 57,753   | 74,536  |
| Revenues                              | 492,890        | 390,027  | 350,980 |
| <b>EBITDA margin</b>                  | <b>35%</b>     | 15%      | 21%     |

### Available Liquidity

|                                         | As at September 30, | As at June 30, |
|-----------------------------------------|---------------------|----------------|
| (in thousands of dollars)               | 2025                | 2025           |
| Cash and cash equivalents               | 325,504             | 176,054        |
| Undrawn amounts under credit facilities | 514,940             | 360,569        |
| <b>Available liquidity</b>              | <b>840,444</b>      | 536,623        |

### C1 Cash Cost

|                                                | Q2 FY26     | Q1 FY26   | Q2 FY25   |
|------------------------------------------------|-------------|-----------|-----------|
| Iron ore concentrate sold (dmt)                | 3,850,900   | 3,831,800 | 3,265,700 |
| (in thousands of dollars, except per dmt data) |             |           |           |
| Cost of sales                                  | 293,398     | 313,928   | 252,960   |
| <b>C1 cash cost (per dmt sold)</b>             | <b>76.2</b> | 81.9      | 77.5      |

### All-in Sustaining Cost

|                                                | Q2 FY26     | Q1 FY26   | Q2 FY25   |
|------------------------------------------------|-------------|-----------|-----------|
| Iron ore concentrate sold (dmt)                | 3,850,900   | 3,831,800 | 3,265,700 |
| (in thousands of dollars, except per dmt data) |             |           |           |
| Cost of sales                                  | 293,398     | 313,928   | 252,960   |
| Sustaining capital expenditures                | 69,910      | 42,241    | 65,919    |
| General and administrative expenses            | 9,894       | 12,581    | 12,114    |
|                                                | 373,202     | 368,750   | 330,993   |
| <b>AISC (per dmt sold)</b>                     | <b>96.9</b> | 96.2      | 101.4     |

**Cash Operating Margin and Cash Profit Margin**

|                                                          | Q2 FY26      | Q1 FY26   | Q2 FY25   |
|----------------------------------------------------------|--------------|-----------|-----------|
| Iron ore concentrate sold (dmt)                          | 3,850,900    | 3,831,800 | 3,265,700 |
| (in thousands of dollars, except per dmt data)           |              |           |           |
| Revenues                                                 | 492,890      | 390,027   | 350,980   |
| <b>Net average realized selling price (per dmt sold)</b> | <b>128.0</b> | 101.8     | 107.5     |
| AISC (per dmt sold)                                      | 96.9         | 96.2      | 101.4     |
| <b>Cash operating margin (per dmt sold)</b>              | <b>31.1</b>  | 5.6       | 6.1       |
| <b>Cash profit margin</b>                                | <b>24%</b>   | 6%        | 6%        |

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

|                                                            | Q2 FY26      | Q1 FY26   | Q2 FY25   |
|------------------------------------------------------------|--------------|-----------|-----------|
| Iron ore concentrate sold (dmt)                            | 3,850,900    | 3,831,800 | 3,265,700 |
| (in thousands of dollars, except per dmt data)             |              |           |           |
| Revenues                                                   | 492,890      | 390,027   | 350,980   |
| Provisional pricing adjustments                            | (40,935)     | 26,552    | 22,947    |
| Freight and other costs                                    | 154,436      | 142,687   | 154,425   |
| Gross revenues                                             | 606,391      | 559,266   | 528,352   |
| <b>Gross average realized selling price (per dmt sold)</b> | <b>157.5</b> | 146.0     | 161.8     |