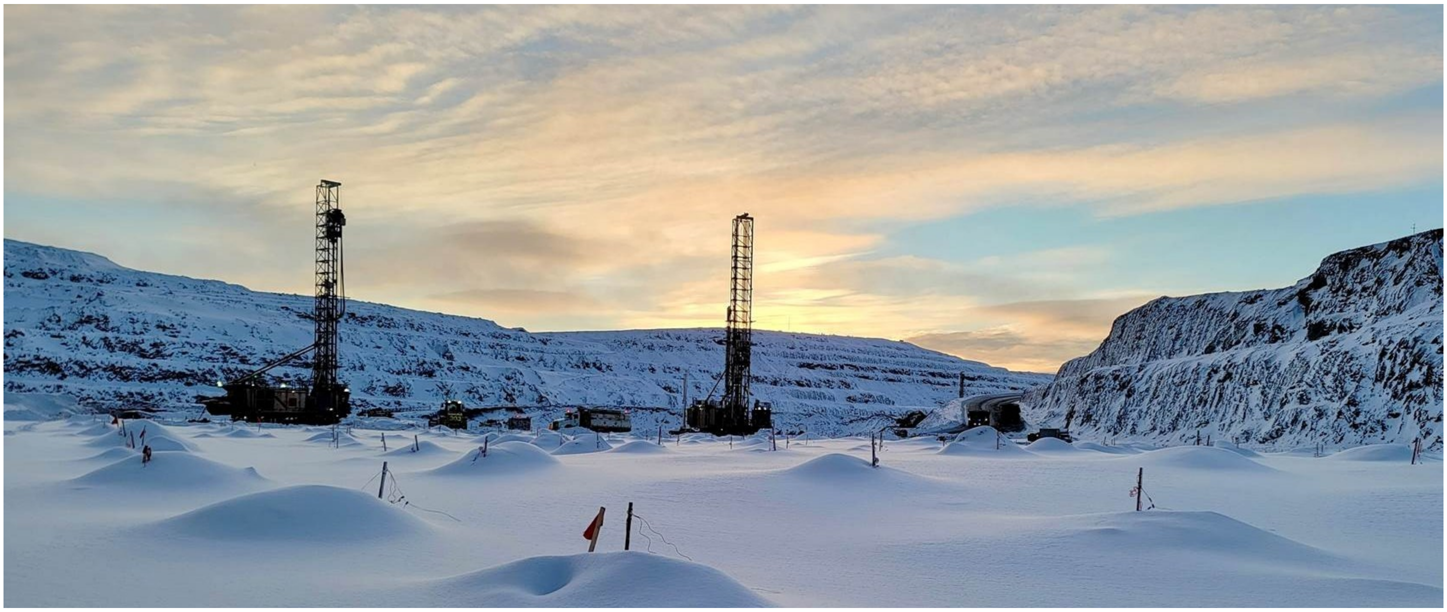


Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended December 31, 2025

CHAMPION IRON

TSX: CIA — ASX: CIA

As at January 29, 2026

This Management's Discussion and Analysis ("MD&A") of Champion Iron Limited ("Champion" or the "Company") has been prepared as of January 29, 2026, and is intended to supplement the condensed interim consolidated financial statements of the Company for the three and nine-month periods ended December 31, 2025, and related notes thereto (the "Financial Statements"), which have been prepared in accordance with the Australian Accounting Standards Board ("AASB") 134 and the International Accounting Standards ("IAS") 34, Interim Financial Reporting, and should be read in conjunction with the Company's audited annual financial statements and MD&A for the financial year ended March 31, 2025. The Financial Statements and other information pertaining to Champion are available under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

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

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

The following abbreviations and definitions are used throughout this MD&A: US$ or U.S. dollar (United States dollar), C$ (Canadian dollar), NOK (Norwegian Krone), Board (Board of Directors of Champion), t (tonnes), wmt (wet metric tonnes), dmt (dry metric tonnes), M (million), FOB (free on board), Fe (iron ore), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), FID (final investment decision), IID (interim investment decision), DFS (definitive feasibility study), DR (direct reduction), DRI (direct reduced iron), DRPF (direct reduction pellet feed), EAF (electric arc furnaces), BF (blast furnaces), BOF (basic oxygen furnaces), 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) and EPS (earnings per share). The terms "Champion" or the "Company" refer to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. The term "QIO" refers to Quebec Iron Ore Inc., the Company's wholly-owned subsidiary and the operator of Bloom Lake. The term "IFRS" refers to International Financial Reporting Standards as issued by the International Accounting Standards Board.

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" section of the Company's MD&A for the financial year ended March 31, 2025, and to the "Cautionary Note Regarding Forward-Looking Statements" section of this MD&A.

Non-IFRS and Other Financial Measures

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

Cautionary Note Regarding Forward-Looking Statements

Forward-Looking Statements

This MD&A 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.

Cautionary Note Regarding Forward-Looking Statements (continued)

Specific Forward-Looking Statements

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

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

(ii) the project to upgrade the Bloom Lake iron ore concentrate to a higher grade and to convert approximately half of Bloom Lake's increased nameplate capacity of 15M wmt per year to commercially produce a DR 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, commercial 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;

(iii) the Kami Project Study (including LoM), the Kami Project's potential to produce a DR grade product, expected timeline and construction period, economics, production, technical parameters, stakeholder and government engagement, efficiencies and economic and other benefits and evaluation of opportunities to improve project economics;

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

(v) the Rana Gruber Transaction (as defined below), including the expected sources of financing of the transaction and the consummation of the financing contemplated by the committed debt financing with Scotiabank (as defined below) and the equity private placement with La Caisse (as defined below) and the expectations regarding whether the Rana Gruber Transaction will be completed and the timing thereof, including whether any conditions to completion of the tender offer will be satisfied or waived;

(vi) the future declaration and payment of dividends (including dividend equivalent payments for outstanding performance share units, deferred share units and restricted share units) and the timing thereof and the Company's shareholder return strategy generally;

(vii) 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, markets and customer base, related investments and expected benefits thereof;

(viii) maintaining elevated stripping activities;

(ix) 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;

(x) ore inventory management strategies;

(xi) the Company's safe tailings strategy and tailings investment plan;

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

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

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

(xv) the Company's cash requirements for the next 12 months, the Company's positioning to fund such cash requirements and estimated future interest payments;

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

(xvii) 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;

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

(xix) the Company's tax position;

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

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

(xxii) available liquidity and the Company's financial flexibility; and

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

Cautionary Note Regarding Forward-Looking Statements (continued)

Risks

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

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

as well as those factors discussed in the section entitled "Risk Factors" of the Company's MD&A for the financial year ended March 31, 2025, available under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

In addition, Champion is also subject to the various risks and uncertainties relating to the Rana Gruber Transaction, including risks relating to the timing and completion of the Rana Gruber Transaction; the availability of borrowings to be drawn down under, and the utilization of, various elements and components of Champion's financing plan in accordance with their respective terms; the completion of the equity private placement with La Caisse; the ability of Champion to successfully integrate Rana Gruber's businesses, processes, systems and operations and retain key employees; the potential failure to realize anticipated benefits from the Rana Gruber Transaction; currency exchange risk and foreign currency exposure related to the purchase price of the Rana Gruber Transaction; Champion's reliance upon information provided by Rana Gruber in connection with the Rana Gruber Transaction and publicly available information; potential undisclosed costs or liabilities associated with the Rana Gruber Transaction, Champion being adversely impacted during the pendency of the Rana Gruber Transaction, and change of control and other similar provisions and fees; Champion's ability to retain and attract new business, achieve synergies and maintain market position arising from successful integration plans relating to the Rana Gruber Transaction; Champion's ability to otherwise complete the integration of Rana Gruber within anticipated time periods and at expected cost levels; management's estimates and expectations in relation to future economic and business conditions and other factors in relation to the Rana Gruber Transaction; the realization of the expected strategic, financial and other benefits of the Rana Gruber Transaction; and the accuracy and completeness of public and other disclosure (including financial disclosure) by Rana Gruber.

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 MD&A 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.

1. Description of Business

Champion 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).

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex located on the south end of the Labrador Trough, approximately 13 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 transports 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 to global markets, including 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 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.

2. Financial and Operating Highlights

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Variance	**2025**	2024	Variance
Iron ore concentrate produced (wmt)	**3,661,400**	3,620,600	1 %	**10,733,600**	10,667,200	1 %
Iron ore concentrate sold (dmt)	**3,895,300**	3,287,400	18 %	**11,578,000**	9,995,900	16 %
Financial Data (in thousands of dollars, except per share data)						
Revenues	**472,309**	363,170	30 %	**1,355,226**	1,181,234	15 %
Net income	**64,972**	1,741	3632 %	**145,550**	102,905	41 %
EBITDA[1]	**152,408**	88,216	73 %	**384,984**	343,912	12 %
EBITDA margin[1]	**32 %**	24 %	33 %	**28 %**	29 %	(3)%
Basic EPS	**0.12**	0.00	— %	**0.27**	0.20	35 %
Net cash flows from (used in) operating activities	**81,713**	(6,443)	(1368)%	**283,869**	159,640	78 %
Dividend per ordinary share paid	**0.10**	0.10	— %	**0.20**	0.20	— %
Cash and cash equivalents	**245,092**	93,096	163 %	**245,092**	93,096	163 %
Total assets	**3,429,109**	2,951,201	16 %	**3,429,109**	2,951,201	16 %
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**162.9**	158.8	3 %	**155.5**	164.2	(5)%
Net average realized selling price[1]	**121.3**	110.5	10 %	**117.1**	118.2	(1)%
C1 cash cost[1]	**73.9**	78.7	(6)%	**77.3**	77.7	(1)%
AISC[1]	**89.7**	93.9	(4)%	**94.3**	95.5	(1)%
Cash operating margin[1]	**31.6**	16.6	90 %	**22.8**	22.7	— %
Statistics (in U.S. dollars per dmt sold)[2]						
Gross average realized selling price[1]	**116.8**	113.4	3 %	**112.2**	119.3	(6)%
Net average realized selling price[1]	**86.9**	78.8	10 %	**84.4**	85.9	(2)%
C1 cash cost[1]	**53.0**	56.3	(6)%	**55.8**	56.4	(1)%
AISC[1]	**64.3**	67.2	(4)%	**68.1**	69.4	(2)%
Cash operating margin[1]	**22.6**	11.6	95 %	**16.3**	16.5	(1)%

[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.
[2] See the "Currency" subsection included in section 6 — Key Drivers of this MD&A.

3. Quarterly Highlights

Operations and Sustainability

- No serious workplace-related injuries or major environmental incidents were reported during the three-month period ended December 31, 2025;
- Quarterly production of 3.7 million wmt of high-grade 66.5% Fe concentrate for the three-month period ended December 31, 2025, compared to 3.6 million wmt of high-grade 66.3% for the same prior-year period;
- Record quarterly sales of 3.9 million dmt for the three-month period ended December 31, 2025, up 18% from the same prior-year period;
- Iron ore concentrate stockpiled at Bloom Lake decreased by 1.1 million wmt quarter-over-quarter, bringing the total to 0.6 million wmt as at December 31, 2025, despite a railway interruption caused by a third-party train derailment on December 28, 2025. Rail services gradually resumed on January 4, 2026. As some tonnes were hauled to the Port of Sept-Îles and not sold, partly due to an outage of the ship loaders in December 2025, stockpiled iron ore concentrate at the port temporarily reached 0.9 million wmt as at December 31, 2025;
- Cumulative iron ore concentrate inventories held at Bloom Lake and at the Port of Sept-Îles totalled 1.5 million wmt as at December 31, 2025, compared to 1.8 million wmt as at September 30, 2025. The Company is evaluating inventory management strategies and expects to sell volumes held at the port in the near term; and
- Strong mining performance with 22.6 million wmt of material mined and hauled at Bloom Lake for the three-month period ended December 31, 2025, an increase of 13% compared to the same prior-year period, driven by additional and improved utilization of loading equipment, and availability of haul trucks.

Financial Results

- Revenues of $472.3 million for the three-month period ended December 31, 2025, compared to $363.2 million for the same period in 2024, attributable to higher sales volumes and higher net realized selling prices;
- C1 cash cost for the iron ore concentrate loaded onto vessels at the Port of Sept-Îles totalled $73.9/dmt[1] (US$53.0/dmt)[2] for the three-month period ended December 31, 2025, down from $78.7/dmt[1] (US$56.3/dmt)[2] for the same period in 2024;
- Net income totalled $65.0 million for the three-month period ended December 31, 2025, representing EPS of $0.12, compared to net income of $1.7 million and EPS of $0.00 for the same period in 2024;
- EBITDA of $152.4 million[1] for the three-month period ended December 31, 2025, up from $88.2 million[1] for the same period in 2024;
- Net cash flows from operating activities of $81.7 million for the three-month period ended December 31, 2025, compared to $6.4 million for the same period in 2024;
- Cash balance, excluding the unused portion of the initial cash contributions from Nippon Steel and Sojitz held in a restricted cash account by the Kami Partnership, totalled $245.1 million as at December 31, 2025, a decrease of $80.4 million since September 30, 2025, mainly due to capital expenditures and the payment of the ninth consecutive semi-annual dividend, partially offset by robust net cash flows from operating activities; and
- Strong available liquidity to support growth initiatives and general corporate purposes totalled $751.4 million[1] as at December 31, 2025, compared to $840.4 million[1] as at September 30, 2025.

[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.
[2] See the "Currency" subsection included in section 6 — Key Drivers of this MD&A.

3. Quarterly Highlights (continued)

Development and Growth Initiatives

- Entered into a transaction agreement with Rana Gruber ASA ("Rana Gruber"), a leading Norwegian producer of high-grade iron ore, on the terms of a conditional recommended voluntary cash tender offer to acquire all of the issued and outstanding shares of Rana Gruber at a price of NOK 79 (US$7.79)[1] per share (the "Offer"), representing an implied total equity value of approximately NOK 2,930 million (US$289 million)[1] (the "Rana Gruber Transaction"). To fund the Rana Gruber Transaction, in addition to using cash on hand, the Company received financial support from Caisse de dépôt et placement du Québec ("La Caisse"), who has agreed to participate in an equity private placement of subscription receipts by Champion, and from The bank of Nova Scotia ("Scotiabank"), who has provided a binding commitment for a new term loan. Additional details on the Rana Gruber Transaction can be found on the Company's press release dated December 21, 2025 (Montréal), available under its profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

[1] Financial information has been converted from NOK to U.S. dollars at an exchange rate of NOK 10.1415 per US$1.00.

4. DRPF Project Update

In January 2024, the Board approved an FID to complete the DRPF project to upgrade Bloom Lake's second plant to produce approximately 7.5M wmt per year of DRPF quality iron ore grading up to 69% Fe with a combined silica and alumina content below 1.2%.

The DRPF project aims to capitalize on the steel industry's focus to reduce emissions and its associated impact on the raw material supply chain. Accordingly, production of a DRPF product would enhance the Company's ability to further contribute to different supply chains by engaging with additional customers focused on the DRI and EAF steelmaking process, which lowers carbon emissions in the steelmaking process by approximately 50%, compared to the traditional steelmaking route using BF and BOF methods. By producing the DRPF product required for the DRI-EAF steelmaking process, the Company would contribute to a reduction in the use of coal in the conventional BF-BOF steelmaking process. The DRPF project is also expected to position the Company with the ability to engage with fast-growing economies in the Middle East and North Africa, where competitive natural gas prices support cost-effective steelmaking via the DRI-EAF process. Benefiting from a rare high-purity resource, the Company has an opportunity to produce one of the highest quality DRPF products available on the seaborne market, which could attract a substantial premium over the Company's current high-grade 66.2% Fe iron ore concentrate.

During the three-month period ended December 31, 2025, the Company initiated commissioning activities as scheduled and invested $32.9 million in the DRPF project, with cumulative investments totalling $440.5 million at the end of the quarter, compared to an estimated cumulative project investment of $500 million, in line with the inflation-adjusted estimated total capital expenditure of $470.7 million detailed in the project study highlights released in January 2023. During the three-month period ended December 31, 2025, the Company incurred expenditures mainly related to construction activities, including mechanical, piping and electrical work, which are progressing in accordance with the project timeline. In addition, knowledge transfer from the construction teams to the internal teams began during the period, as well as the commissioning of certain equipment, including electrical distribution and the heating, ventilation and air conditioning (HVAC) system, and part of the process water system was also pressurized. Remaining capital expenditures are expected to be incurred during the ramp-up period until initial commercial shipments are achieved, anticipated to occur by the end of the first half of the 2026 calendar year, and ramping up gradually thereafter. Accordingly, the Company anticipates beginning to realize the benefits from sales of DR quality iron ore in the second half of the 2026 calendar year.

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

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

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

5. Kami Joint Arrangement

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

On March 14, 2024, the Company voluntarily filed the "Pre-feasibility Study for the Kamistiatusset (Kami) Iron Ore Property, Newfoundland and Labrador, Canada", prepared pursuant to National Instrument 43-101 — Standards of Disclosure for Mineral Projects and Chapter 5 of the ASX Listing Rules and dated March 14, 2024 (the "Kami Project Study"), which evaluated a 25-year LoM and an average annual DR quality iron ore concentrate production of approximately 9.0M wmt per year grading above 67.5% Fe. Based on the Kami Project Study, the Kami Project capital expenditures were estimated at $3,864 million, resulting in a net present value ("NPV") of $541 million and an internal rate of return ("IRR") of 9.8% after-tax, based on conservative pricing dynamics, compared to then prevailing iron ore prices, or an NPV of $2,195 million and IRR of 14.8% after-tax, based on the three previous calendar years' average of the P65 index which preceded the Kami Project Study. The Kami Project benefits from the permitting work completed by its previous owner and has an estimated 48-month construction period following an FID.

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

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

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

During the three-month period ended December 31, 2025, the Company and the Partners continued to advance exploration work and the DFS ahead of a potential IID and, ultimately, an FID.

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

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

6. Key Drivers

Iron Ore Concentrate Price

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

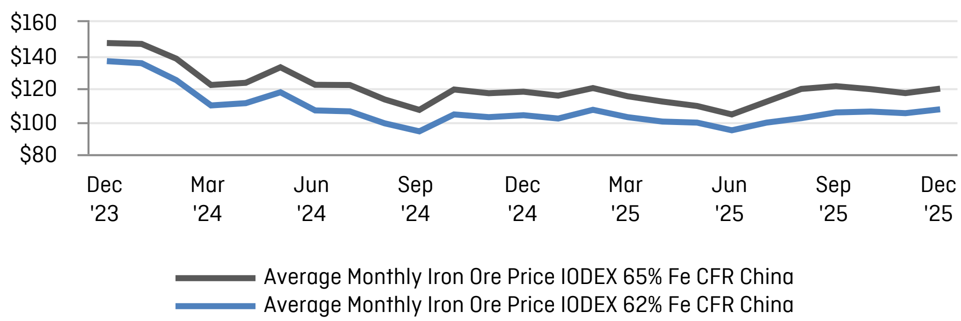
6. Key Drivers (continued)

Iron Ore Concentrate Price (continued)

During the three-month period ended December 31, 2025, the P65 index averaged US$118.8/dmt, representing an increase of 1% year-over-year and quarter-over-quarter. Iron ore prices remained relatively resilient during the quarter, despite easing steel demand in China and, continued struggling steel mill profit margins. Additionally, China's port inventories continued to build as steel mills adjusted output levels, reaching a one-year high toward the end of the period. On the supply side, availability remained ample, with strong volumes from major producers, particularly Brazil, where shipments reached record levels during the year. Despite such headwinds, iron ore prices remained relatively robust in relation to several factors, including seasonal restocking ahead of China's lunar new year, China's delivering on its economic growth targets and its authorities indicating intent for additional stimulus programs, and ongoing restrictions set by China on purchasing select blends from one of the iron ore industry's largest producers.

According to the World Steel Association[1], global crude steel production decreased by 4.5% year-over-year for the three-month period ended December 31, 2025, totalling 424.1 million tonnes. In 2025, global crude steel production declined 2.0% year-over-year to 1.8 billion tonnes, reflecting weaker output in China, where production fell by 4.4% amid softer domestic demand and policy measures aimed at addressing overcapacity. These developments contributed to a rise in Chinese steel exports to record levels, with total exports in 2025 up 7.5% year-over-year, despite expectations of a decline amid increasing trade barriers. Elsewhere, steel output in major producing regions such as Europe, Japan and South Korea also softened in line with weaker domestic consumption, while production in emerging markets including India, Southeast Asia and the Middle East continued to expand, supported by robust infrastructure-related demand.

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



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

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

[1] World Steel Association

6. Key Drivers (continued)

Iron Ore Concentrate Price (continued)

During the three-month period ended December 31, 2025, an average final price of US$115.1/dmt was established for the 2.5 million tonnes of iron ore that were subject to provisional pricing adjustments as at September 30, 2025, which were previously evaluated using an average expected price of US$113.8/dmt. Accordingly, during the three-month period ended December 31, 2025, positive pricing adjustments of $4.4 million (US$3.3 million) were recorded for tonnes subject to provisional pricing adjustments as at September 30, 2025. For the total volume of 3.9 million dmt sold during the quarter ended December 31, 2025, the positive pricing adjustments represent US$0.8/dmt. As at December 31, 2025, 2.5 million tonnes of iron ore sold remained subject to provisional pricing adjustments, with a final selling price to be determined in subsequent reporting periods. A gross average forward provisional price of US$117.4/dmt was used as at December 31, 2025, to estimate the sales subject to final pricing.

The following table details the Company's gross revenue exposure, as at December 31, 2025, subject to movements in iron ore prices for the provisionally priced sales volume:

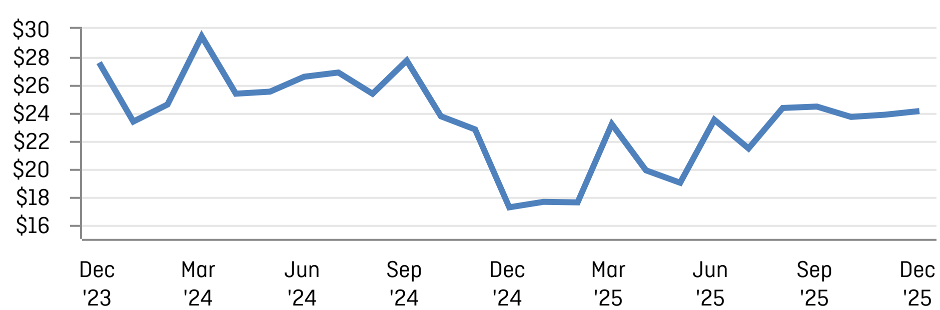
	As at December 31,
	2025
Dry metric tonnes subject to provisional pricing adjustments	**2,526,500**
(in thousands of U.S. dollars)	
10% increase in iron ore prices	**29,650**
10% decrease in iron ore prices	**(29,650)**

These sensitivities demonstrate the monetary impact on gross revenues in U.S. dollars resulting from a 10% increase and 10% decrease in gross realized selling prices as at December 31, 2025, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact net realized selling price in Canadian dollars. The above sensitivities should, therefore, be used with caution.

Sea Freight

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

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



During the three-month period ended December 31, 2025, the C3 index averaged US$23.9/t, up 11% year-over-year and 2% quarter-over-quarter. The market was mainly supported by robust Atlantic iron ore and bauxite trade flows, particularly strong Brazilian iron ore shipments, which increased vessel demand and tightened availability, pushing freight rates higher. The market also experienced brief, headline-driven volatility following announcements around the increase of port-related costs in China, which temporarily lifted rates. Toward the end of the period, weather slowed iron ore shipping activities in Brazil, contributing to a reduced C3 index.

6. Key Drivers (continued)

Sea Freight (continued)

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

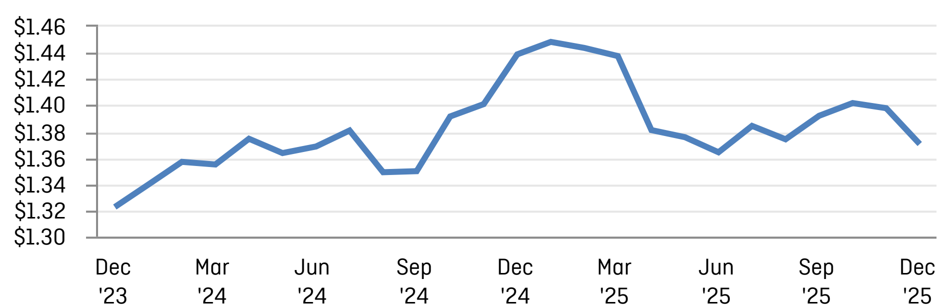
When contracting vessels on the spot market, Champion typically books vessels three to five weeks prior to the desired laycan period due to its distance from main shipping hubs. Although this creates a delay between the freight paid and the C3 index, the effect of this delay is eventually reconciled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

Currency

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

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

Monthly Closing Exchange Rate – C$/US$



Exchange rates were as follows:

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

Apart from these key drivers and the risk factors that are described in the "Risk Factors" section of the Company's MD&A for the financial year ended March 31, 2025, Management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

(Expressed in Canadian dollars, except where otherwise indicated)

7. Bloom Lake Mine Operating Activities

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Variance	**2025**	2024	Variance
Operating Data						
Waste mined and hauled (wmt)	**12,088,600**	9,694,200	25 %	**35,940,500**	25,751,500	40 %
Ore mined and hauled (wmt)	**10,549,700**	10,347,500	2 %	**30,636,400**	30,413,900	1 %
Material mined and hauled (wmt)	**22,638,300**	20,041,700	13 %	**66,576,900**	56,165,400	19 %
Stripping ratio	**1.15**	0.94	22 %	**1.17**	0.85	38 %
Ore milled (wmt)	**10,443,200**	10,305,300	1 %	**30,911,500**	30,514,600	1 %
Head grade Fe (%)	**29.1**	29.3	(1)%	**28.9**	29.2	(1)%
Fe recovery (%)	**79.7**	79.1	1 %	**79.2**	79.0	— %
Product Fe (%)	**66.5**	66.3	— %	**66.4**	66.3	— %
Iron ore concentrate produced (wmt)	**3,661,400**	3,620,600	1 %	**10,733,600**	10,667,200	1 %
Iron ore concentrate sold (dmt)	**3,895,300**	3,287,400	18 %	**11,578,000**	9,995,900	16 %

Third Quarter of the 2026 Financial Year vs Third Quarter of the 2025 Financial Year

Bloom Lake produced 3.7 million wmt of high-grade 66.5% Fe concentrate during the three-month period ended December 31, 2025, which was comparable to production recorded during the same period in 2024. The Company continues to encounter higher ore hardness, partly attributable to a specific extension of a pit being mined to enable shorter haul access to waste dumps. Despite this situation, this year's quarterly production was positively impacted by increased recoveries resulting from improved performance of the gravimetric systems following the application of work programs and optimization of operations. During the three-month period ended December 31, 2025, the Fe recovery rate was 79.7%, compared to 79.1% for the same period in 2024. The increase in iron ore concentrate production was mostly offset by the negative impact of lower head grade, and a planned maintenance-related power interruption by the service provider during the three-month period ended December 31, 2025. While 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 impact of the recently encountered ore hardness, which is easing compared to previous quarters, is mitigated by strong mining performance, which should enable the optimized blending of material from different pits.

Despite a breakdown on the port operator's ship loaders at the end of December 2025, sales volumes increased by 18% during the three-month period ended December 31, 2025, compared to the same prior-year period, and exceeded production for the fourth consecutive quarter. While a planned shutdown of third-party port operations for infrastructure maintenance impacted both financial quarters, during the three-month period ended December 31, 2024, sales volumes were also affected by the breakdown of a critical piece of equipment at the Bloom Lake's train load-out facility, which caused a 14-day interruption of rail haulage activities.

Despite a third-party train derailment that occurred late in December 2025, the level of iron ore concentrate stockpiled at Bloom Lake decreased by 1.1 million wmt to reach 0.6 million wmt as at December 31, 2025. Since the volume hauled was not fully sold during the quarter, the iron ore concentrate stockpiled at the Port of Sept-Îles totalled 0.9 million wmt at quarter-end. This temporary accumulation of iron ore concentrate at the port was in part due to the unexpected ship loaders breakdown outlined above, and also resulted from the Company's strategic decision to maintain a certain level of stockpiles during the commissioning phase of the DRPF project. Cumulative iron ore concentrate inventories at Bloom Lake and at the port totalled 1.5 million wmt as at December 31, 2025, compared to 1.8 million wmt as at September 30, 2025. The Company is currently evaluating on-site and port inventory management strategies in anticipation of the expected change to its product offering with DRPF quality iron ore and expects to sell the iron ore concentrate held at the port in the near term.

During the three-month period ended December 31, 2025, the Company mined and hauled 22.6 million wmt of waste and ore, surpassing the 20.0 million wmt recorded in the same prior-year period. This strong mining performance was driven by additional loading equipment, as well as improved utilization and availability of haul trucks. During the quarter, the Company also commissioned a new drill which allowed the Company to mine and haul a higher volume of waste material, resulting in a stripping ratio of 1.15 for the three-month period ended December 31, 2025, higher than the 0.94 ratio recorded in the same prior-year period. Champion anticipates maintaining elevated stripping activity in upcoming periods, consistent with its LoM plan.

7. Bloom Lake Mine Operating Activities (continued)

First Nine Months of the 2026 Financial Year vs First Nine Months of the 2025 Financial Year

The Company produced 10.7 million wmt of high-grade iron ore concentrate during the nine-month period ended December 31, 2025, comparable to production during the previous year, which saw production interrupted for approximately one week due to nearby forest fires in July 2024. Challenges related to the ore hardness particularly impacted grinding efficiency and Fe recovery this year, mainly in the first financial quarter, during which Champion had to adjust its operating and maintenance strategies to manage varying ore feed characteristics. The Fe recovery rate for the nine-month period ended December 31, 2025, was 79.2%, compared to 79.0% for the same period in 2024. During the nine-month period ended December 31, 2025, two scheduled annual power interruptions also impacted operations.

The iron ore head grade was 28.9% for the nine-month period ended December 31, 2025, consistent with the LoM head grade average and down from the 29.2% head grade average for the same period in the previous year.

Sales volumes reached 11.6 million dmt for the nine-month period ended December 31, 2025, an increase of 16%, compared to the same prior-year period, mainly attributable to the addition of railcars and rolling stock by the Company and the rail operator, respectively, and to an interruption of rail haulage activities, in the comparative period, associated with an outage on the Company's load-out facility.

The Company mined and hauled 66.6 million wmt of material during the nine-month period ended December 31, 2025, compared to 56.2 million wmt in the prior-year period, representing an increase of 19%, mostly attributable to Champion's investments in additional mining equipment during the second half of the previous financial year. The solid performance at the mine resulted in a stripping ratio of 1.17 for the nine-month period ended December 31, 2025, up from a stripping ratio of 0.85 recorded for the same period in the previous year.

8. Financial Performance

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Variance	**2025**	2024	Variance
Financial Data (in thousands of dollars)						
Revenues	**472,309**	363,170	30 %	**1,355,226**	1,181,234	15 %
Cost of sales	**287,712**	258,728	11 %	**895,038**	776,599	15 %
Other expenses	**28,747**	17,290	66 %	**69,107**	61,602	12 %
Net finance costs	**2,101**	30,508	(93)%	**14,488**	46,253	(69)%
Net income	**64,972**	1,741	3632 %	**145,550**	102,905	41 %
EBITDA[1]	**152,408**	88,216	73 %	**384,984**	343,912	12 %
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**162.9**	158.8	3 %	**155.5**	164.2	(5)%
Net average realized selling price[1]	**121.3**	110.5	10 %	**117.1**	118.2	(1)%
C1 cash cost[1]	**73.9**	78.7	(6)%	**77.3**	77.7	(1)%
AISC[1]	**89.7**	93.9	(4)%	**94.3**	95.5	(1)%
Cash operating margin[1]	**31.6**	16.6	90 %	**22.8**	22.7	— %

[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

8. Financial Performance (continued)

A. Revenues

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Variance	**2025**	2024	Variance
Indexes (in U.S. dollars per tonne)						
P62	**106.0**	103.4	3 %	**102.0**	104.8	(3)%
P65	**118.8**	118.0	1 %	**114.9**	119.3	(4)%
C3	**23.9**	21.6	11 %	**22.7**	24.7	(8)%
Statistics (in dollars per dmt sold)[2]						
Gross average realized selling price[1]	**116.8**	113.4	3 %	**112.2**	119.3	(6)%
Freight and other costs	**(30.7)**	(30.7)	— %	**(28.9)**	(32.5)	(11)%
Provisional pricing adjustments	**0.8**	(3.9)	(121)%	**1.1**	(0.9)	(222)%
US$ Net average realized FOB selling price[1]	**86.9**	78.8	10 %	**84.4**	85.9	(2)%
C$ Net average realized FOB selling price[1]	**121.3**	110.5	10 %	**117.1**	118.2	(1)%

Third Quarter of the 2026 Financial Year vs Third Quarter of the 2025 Financial Year

Revenues totalled $472.3 million for the three-month period ended December 31, 2025, up $109.1 million from revenues of $363.2 million in the same period in 2024. Higher revenues were attributable to an 18% increase in sales volume as outlined in the previous section and a higher net average realized selling price.

For the three-month period ended December 31, 2025, the gross average realized selling price of US$116.8/dmt[1] was lower than the P65 index average price of US$118.8/dmt. Sales contracts using backward-looking iron ore index pricing contributed to lower selling prices as index prices on these contracts were lower than the P65 index average price during the period. In addition, the 2.5 million dmt iron ore subject to pricing adjustments as at December 31, 2025, were evaluated using an average forward selling price of US$117.4/dmt, below the P65 index average price. The gross average realized selling price was also negatively impacted by the Company's strategic transition to a higher grade DRPF product. Accordingly, 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.

Positive provisional pricing adjustments on prior-quarter sales of $4.4 million (US$3.3 million) were recorded during the three-month period ended December 31, 2025, representing a favourable impact of US$0.8/dmt for the 3.9 million dmt sold during the quarter. A final average selling price of US$115.1/dmt was established for the 2.5 million dmt of iron ore subject to pricing adjustments as at September 30, 2025, which were provisionally priced at US$113.8/dmt.

Despite an 11% increase in the average C3 index, freight and other costs of US$30.7/dmt during the three-month period ended December 31, 2025, were in line with the same prior-year period. Sales contracts using backward-looking pricing contributed to lower 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$30.7/dmt and the positive provisional pricing adjustments of US$0.8/dmt, the Company obtained a net average realized selling price of US$86.9/dmt (C$121.3/dmt[1]) for its high-grade iron ore concentrate shipped during the three-month period ended December 31, 2025.

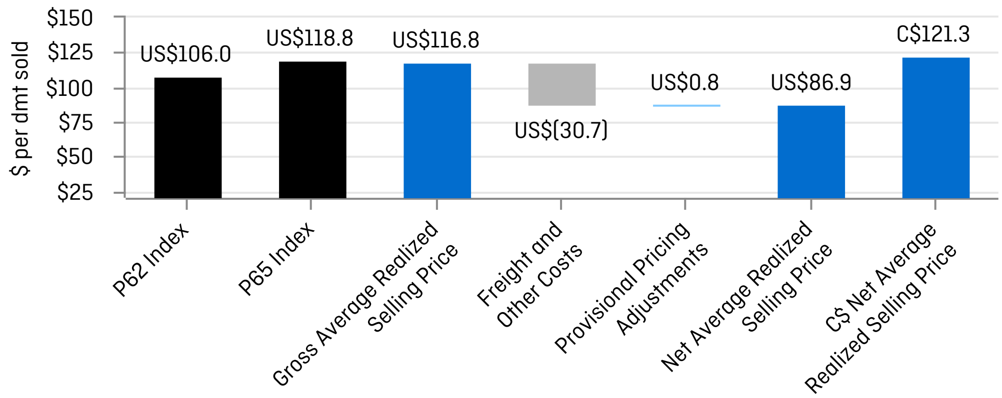
[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.
[2] See the "Currency" subsection included in section 6 — Key Drivers of this MD&A.

8. Financial Performance (continued)

A. Revenues (continued)

Third Quarter of the 2026 Financial Year vs Third Quarter of the 2025 Financial Year (continued)

Q3 FY2026 Net Average Realized Selling Price



First Nine Months of the 2026 Financial Year vs First Nine Months of the 2025 Financial Year

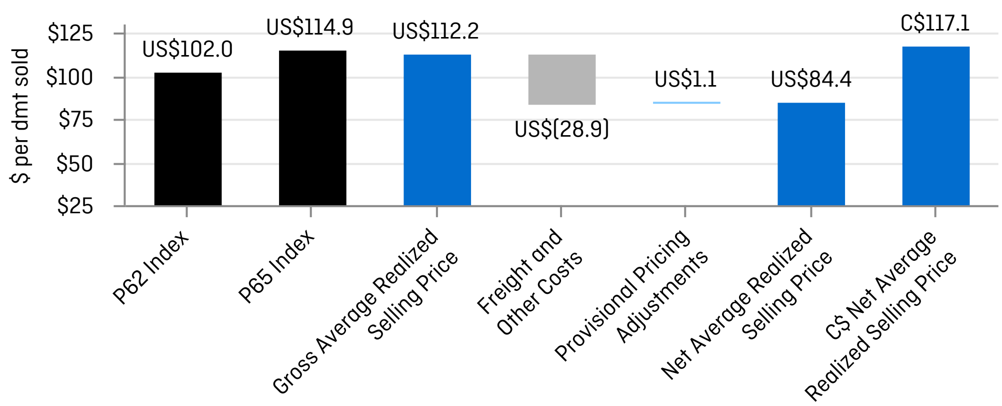
Revenues totalled $1,355.2 million for the nine-month period ended December 31, 2025, an increase of $174.0 million, compared to $1,181.2 million for the same prior-year period, mainly due to a 16% year-over-year increase in sales volumes, outlined in the previous section.

The Company sold its product at a gross average realized selling price of US$112.2/dmt[1] for the nine-month period ended December 31, 2025, below the P65 index average price of US$114.9/dmt for the period. In preparation for the planned transition to include higher grade DRPF material in its product offering in the 2026 calendar year, Champion strategically reduced the volume of iron ore concentrate sold under long-term sales contracts, retaining a greater proportion of its iron ore concentrate production for short-term and spot markets, which are more exposed to pricing discounts.

Freight and other costs for the nine-month period ended December 31, 2025, totalled US$28.9/dmt, a decrease of 11% compared to the previous year, in line with the decrease of the C3 index for the period.

After accounting for sea freight and other costs of US$28.9/dmt and positive provisional pricing adjustments of US$1.1/dmt, the Company achieved a net average realized selling price of US$84.4/dmt (C$117.1/dmt)[1] for its high-grade iron ore concentrate sold during the period.

FY2026 Net Realized Selling Price



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8. Financial Performance (continued)

B. Cost of Sales and C1 Cash Cost

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Variance	**2025**	2024	Variance
Iron ore concentrate produced (dmt)	**3,549,100**	3,510,300	1 %	**10,403,700**	10,346,000	1 %
Iron ore concentrate sold (dmt)	**3,895,300**	3,287,400	18 %	**11,578,000**	9,995,900	16 %
(in thousands of dollars, except per dmt data)						
Mining and processing costs	**167,989**	174,048	(3)%	**533,309**	531,394	— %
Change in iron ore concentrate inventories	**16,462**	(1,348)	(1321)%	**71,411**	(15,170)	(571)%
Land transportation and port handling	**103,261**	86,028	20 %	**290,318**	260,375	11 %
Cost of sales	**287,712**	258,728	11 %	**895,038**	776,599	15 %
C1 cash cost per dmt sold[1]	**73.9**	78.7	(6)%	**77.3**	77.7	(1)%
Mining and processing costs per dmt produced[1]	**47.3**	49.6	(5)%	**51.3**	51.4	— %

Third Quarter of the 2026 Financial Year vs Third Quarter of the 2025 Financial Year

For the three-month period ended December 31, 2025, the cost of sales totalled $287.7 million with a C1 cash cost of $73.9/dmt[1], compared to $258.7 million with a C1 cash cost of $78.7/dmt[1] for the same period in 2024.

With similar production volumes, mining and processing costs totalled $47.3/dmt produced[1] for the three-month period ended December 31, 2025, representing a 5% decrease, compared to $49.6/dmt produced[1] in the same prior-year period. This decrease was mainly driven by lower subcontractors costs primarily associated with equipment maintenance at the facilities.

Land transportation and port handling costs for the three-month period ended December 31, 2025, were $26.5/dmt sold[1], comparable to the same prior-year period despite significantly higher sales volumes. While higher sales volumes contributed to the amortization of fixed costs of the port yard facilities, the disconnect between iron ore concentrate volumes railed from the site and the volume of sales loaded onto vessels during the period offset this effect. As at December 31, 2025, stockpiled iron ore concentrate at the port increased to 0.9 million wmt as the tonnages hauled were not fully sold during the period.

The C1 cash cost was also impacted by changes in the valuation of iron ore concentrate inventory, which incorporate mining and processing costs from the previous quarter, along with variations in production and sales volumes. Due to the scheduled semi-annual maintenance completed in September 2025, cash cost per tonne for the period was impacted by the destocking of iron ore inventories, as the destocked tonnes carried a higher unit value than the cost of the iron ore produced in the period.

First Nine Months of the 2026 Financial Year vs First Nine Months of the 2025 Financial Year

For the nine-month period ended December 31, 2025, the cost of sales totalled $895.0 million with a C1 cash cost of $77.3/dmt[1], compared to $776.6 million with a C1 cash cost of $77.7/dmt[1] for the same period in 2024.

Mining and processing costs for the 10.4 million dmt produced in the nine-month period ended December 31, 2025, totalled $51.3/dmt produced[1], comparable to the previous year as the Company succeeded in maintaining similar costs across its operations. Higher mining costs, driven by higher stripping activities, with 10.2 million more tonnes of waste mined and hauled during the nine-month period ended December 31, 2025, compared to the same prior-year period, were fully offset by lower processing costs due to reduced subcontracting expenses.

Land transportation and port handling costs for the nine-month period ended December 31, 2025, were $25.1/dmt sold[1], compared to $26.0/dmt sold[1] for the previous year. This decrease was due to higher sales volumes favourably impacting fixed port handling costs, and volume discounts from higher tonnage hauled.

The C1 cash cost was also impacted by changes in iron ore concentrate inventory valuation, which incorporate mining and processing costs from the previous quarter, along with variations in production and sales volumes. The reduction in stockpiled iron ore concentrate inventory over the period negatively impacted cash costs, as the valuation of these tonnes included higher production costs.

1 This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

8. Financial Performance (continued)

C. Other Expenses

	Three Months Ended December 31,			Nine Months Ended December 31,		
(in thousands of dollars)	**2025**	2024	Variance	**2025**	2024	Variance
Share-based payments	**6,745**	(1,084)	(722)%	**11,046**	6,109	81 %
General and administrative expenses	**14,744**	11,813	25 %	**37,219**	36,277	3 %
Sustainability and other community expenses	**4,754**	4,380	9 %	**14,224**	13,590	5 %
Innovation and growth initiatives	**2,504**	2,181	15 %	**6,618**	5,626	18 %
	28,747	17,290	66 %	**69,107**	61,602	12 %

For the three and nine-month periods ended December 31, 2025, share-based payments were impacted by the change in value of the related liability, which varies based on the price of the Company's shares at each reporting date and the quarterly vesting. The increase in general and administrative expenses for the three and nine-month periods ended December 31, 2025, was mainly attributable to legal and consultant fees in relation to the Rana Gruber Transaction. Sustainability and community-related expenses, as well as innovation and growth initiative expenses, for the three and nine-month periods ended December 31, 2025, were higher than in the same prior-year periods due to higher salaries and benefits.

D. Net Finance Costs

	Three Months Ended December 31,			Nine Months Ended December 31,		
(in thousands of dollars)	**2025**	2024	Variance	**2025**	2024	Variance
Interest expense on long-term debt	**9,776**	6,729	45 %	**26,709**	21,324	25 %
Standby commitment fees on long-term debt	**754**	680	11 %	**2,159**	2,132	1 %
Interest expense on lease liabilities	**1,485**	1,074	38 %	**4,473**	3,082	45 %
Interest income	**(2,824)**	(1,389)	103 %	**(6,765)**	(8,615)	(21)%
Other finance costs	**2,052**	2,419	(15)%	**7,378**	9,278	(20)%
	11,243	9,513	18 %	**33,954**	27,201	25 %
Realized and unrealized foreign exchange loss (gain)	**(9,142)**	20,995	(144)%	**(19,466)**	19,052	(202)%
	2,101	30,508	(93)%	**14,488**	46,253	(69)%

Third Quarter of the 2026 Financial Year vs Third Quarter of the 2025 Financial Year

The Company recorded net finance costs, before a realized and unrealized foreign exchange loss (gain), of $11.2 million for the three-month period ended December 31, 2025, compared to $9.5 million for the same period in 2024. This increase was mainly attributable to higher interest expenses on long-term debt associated with a higher debt balance, partially offset by higher borrowing costs capitalized on the DRPF project, which totalled $7.5 million during the quarter, compared to $4.9 million for the same prior-year period, due to construction progress and the build-up of qualifying assets, and higher interest income.

The foreign exchange gain of $9.1 million for the three-month period ended December 31, 2025, resulted from the revaluation of net monetary liabilities denominated in U.S. dollars. The appreciation of the Canadian dollar at the end of the quarter, compared to September 30, 2025, on the Company's net payable position, mainly consisting of borrowings, lease liabilities, trade receivables, and cash and cash equivalents denominated in U.S. dollars, contributed to the decrease in net finance costs.

First Nine Months of the 2026 Financial Year vs First Nine Months of the 2025 Financial Year

Net finance costs, before a realized and unrealized foreign exchange loss (gain), increased to $34.0 million for the nine-month period ended December 31, 2025, up from $27.2 million for the previous year. This increase was primarily driven by a higher debt balance during the year and lower interest income. The increase was partially offset by higher capitalization of borrowing costs related to the construction of the DRPF infrastructure. During the nine-month period ended December 31, 2025, borrowing costs of $22.6 million were capitalized for the DRPF project, compared to $11.0 million for the previous year.

The foreign exchange gain of $19.5 million for the nine-month period ended December 31, 2025, resulted from the revaluation of net monetary liabilities denominated in U.S. dollars, with the strengthening of the Canadian dollar against the U.S. dollar as at December 31, 2025, compared to March 31, 2025.

8. Financial Performance (continued)

E. Income Taxes

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

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

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

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.50% for the three and nine-month periods ended December 31, 2025 (2024: 26.50%).

During the three and nine-month periods ended December 31, 2025, current income and mining tax expenses totalled $16.8 million and $35.5 million, respectively, compared to $20.8 million and $45.0 million, respectively, for the same periods in 2024. The variation was mainly due to changes in taxable income driven by gross profit. With net tax payments of $62.4 million during the nine-month period ended December 31, 2025, and a payable net balance of $22.7 million as at March 31, 2025, the Company had net income and mining taxes receivable of $4.2 million as at December 31, 2025.

During the three and nine-month periods ended December 31, 2025, deferred income and mining tax expense totalled $23.7 million and $52.7 million, respectively, compared to a recovery of $1.2 million and an expense of $42.6 million, respectively, for the same periods in 2024. The variation in deferred tax expenses was mainly attributable to temporary differences between the carrying amounts of property, plant and equipment and the tax basis.

The combined provincial and federal statutory tax and mining tax rate was 38%. The Company's effective tax rate was 38% for the three and nine-month periods ended December 31, 2025, compared to 92% and 46%, respectively, for the previous year. The higher effective tax rate for the three and nine-month periods ended December 31, 2024, was mainly due to the impact of the foreign exchange losses (not deductible) or gains (not taxable) and the withholding tax associated with the dividend received from QIO.

F. Net Income & EBITDA

Third Quarter of the 2026 Financial Year vs Third Quarter of the 2025 Financial Year

For the three-month period ended December 31, 2025, the Company generated net income of $65.0 million (EPS of $0.12), compared to $1.7 million (EPS of $0.00) for the same prior-year period. These increases were attributable to a higher gross profit and an unrealized foreign exchange gain resulting from the revaluation of net monetary liabilities denominated in U.S. dollars, partially offset by higher income and mining taxes.

For the three-month period ended December 31, 2025, the Company generated EBITDA of $152.4 million[1], representing an EBITDA margin of 32%[1], compared to $88.2 million[1], representing an EBITDA margin of 24%[1], 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 lower cash cost.

First Nine Months of the 2026 Financial Year vs First Nine Months of the 2025 Financial Year

For the nine-month period ended December 31, 2025, the Company generated net income of $145.6 million (EPS of $0.27), compared to $102.9 million (EPS of $0.20) for the previous year. These increases were mainly due to higher gross profit and an unrealized foreign exchange gain.

For the nine-month period ended December 31, 2025, the Company generated EBITDA of $385.0 million[1], representing an EBITDA margin of 28%[1], compared to $343.9 million[1], representing an EBITDA margin of 29%[1], for the previous year. This year-over-year increase in EBITDA was mainly attributable to higher sales volumes. The decrease in EBITDA margin was attributable to revenues increasing at a higher rate than EBITDA.

[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

(Expressed in Canadian dollars, except where otherwise indicated)

8. Financial Performance (continued)

G. All-in Sustaining Cost & Cash Operating Margin

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2025	2024	Variance	**2025**	2024	Variance
Iron ore concentrate sold (dmt)	**3,895,300**	3,287,400	18 %	**11,578,000**	9,995,900	16 %
(in dollars per dmt sold)						
Net average realized selling price[1]	**121.3**	110.5	10 %	**117.1**	118.2	(1)%
C1 cash cost[1]	**73.9**	78.7	(6)%	**77.3**	77.7	(1)%
Sustaining capital expenditures	**12.1**	11.6	4 %	**13.7**	14.2	(4)%
General and administrative expenses	**3.7**	3.6	3 %	**3.3**	3.6	(8)%
AISC[1]	**89.7**	93.9	(4)%	**94.3**	95.5	(1)%
Cash operating margin[1]	**31.6**	16.6	90 %	**22.8**	22.7	— %

Third Quarter of the 2026 Financial Year vs Third Quarter of the 2025 Financial Year

During the three-month period ended December 31, 2025, the Company realized an AISC of $89.7/dmt[1], compared to $93.9/dmt[1] for the same period in 2024. Higher iron ore concentrate sales volumes led to lower unit costs, favourably impacting AISC for the period, partially offset by higher sustaining capital expenditures and general and administrative expenses.

The Company generated a cash operating margin of $31.6/dmt[1] for each tonne of high-grade iron ore concentrate sold during the three-month period ended December 31, 2025, compared to $16.6/dmt[1] for the same prior-year period. This increase was due to a higher net average realized selling price and a lower AISC for the period.

First Nine Months of the 2026 Financial Year vs First Nine Months of the 2025 Financial Year

During the nine-month period ended December 31, 2025, the Company recorded an AISC of $94.3/dmt[1], compared to the $95.5/dmt[1] realized in the same period in 2024. The positive impact of increased iron ore concentrate sales volumes was mostly offset by higher sustaining capital expenditures for the period while general and administrative expenses were mostly in line with the comparative period.

The cash operating margin totalled $22.8/dmt[1] for the nine-month period ended December 31, 2025, comparable to $22.7/dmt[1] for the same period in 2024.

9. Exploration Activities and Regional Growth

During the three and nine-month periods ended December 31, 2025, the Company maintained all its properties in good standing and did not enter into any farm-in arrangements. As outlined in section 5 — Kami Joint Arrangement of this MD&A, the Company transferred its Kami properties to the Kami Partnership on September 29, 2025, 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 nine-month periods ended December 31, 2025, $1.1 million and $16.3 million in exploration and evaluation expenditures were incurred, respectively, compared to $9.2 million and $16.6 million, respectively, for the same prior-year periods. The lower investment year-over-year was due to the transfer of the Kami properties in the Kami Partnership and the acquisition by the Partners of the aggregate 49% interest in the Kami Partnership in September 2025.

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

1 This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

10. Cash Flows

The following table summarizes cash flow activities:

	Three Months Ended December 31,		Nine Months Ended December 31,	
(in thousands of dollars, except per share data)	**2025**	2024	**2025**	2024
Operating cash flows before working capital	**136,237**	57,768	**341,054**	284,283
Changes in non-cash operating working capital	**(54,524)**	(64,211)	**(57,185)**	(124,643)
Net cash flows from (used in) operating activities	**81,713**	(6,443)	**283,869**	159,640
Net cash flows used in investing activities	**(93,455)**	(195,321)	**(333,041)**	(504,181)
Net cash flows from (used in) financing activities	**(66,378)**	106,355	**177,365**	32,191
Net increase (decrease) in cash and cash equivalents	**(78,120)**	(95,409)	**128,193**	(312,350)
Effects of exchange rate changes on cash and cash equivalents	**(2,292)**	4,729	**(552)**	5,385
Cash and cash equivalents, beginning of the period	**325,504**	183,776	**117,451**	400,061
Cash and cash equivalents, end of the period	**245,092**	93,096	**245,092**	93,096
Operating cash flow (outflow) per share[1]	**0.15**	(0.01)	**0.54**	0.31

Operating

During the three-month period ended December 31, 2025, the Company generated operating cash flows of $136.2 million before changes in working capital items, an increase of $78.5 million, compared to $57.8 million for the same prior-year period, mainly driven by higher EBITDA of $64.2 million[1]. The changes in non-cash operating working capital decreased cash flows from operating activities by $54.5 million during the period, mainly due to higher trade receivables and lower accounts payable, partially offset by lower prepaid expenses. The operating cash flow per share for the three-month period ended December 31, 2025, was $0.15[1], compared to operating cash outflow per share of $0.01[1] for the same prior-year period.

During the nine-month period ended December 31, 2025, the Company's operating cash flows before working capital items totalled $341.1 million, compared to $284.3 million for the previous year, mostly driven by higher EBITDA of $41.1 million[1] and a $9.4 million decrease in current income and mining taxes. The changes in non-cash operating working capital negatively impacted operating cash flows by $57.2 million due to lower accounts payable, higher trade receivables and lower income and mining taxes payable, partially offset by lower inventories. These variations are detailed in section 11 — Financial Position of this MD&A. The operating cash flow per share for the nine-month period ended December 31, 2025, totalled $0.54[1], compared to $0.31[1] for the previous year.

Investing

i. Purchase of Property, Plant and Equipment

	Three Months Ended December 31,		Nine Months Ended December 31,	
(in thousands of dollars)	**2025**	2024	**2025**	2024
Tailings lifts	**21,050**	21,514	**59,297**	65,615
Stripping and mining activities	**7,334**	5,400	**39,048**	33,307
Other sustaining capital expenditures	**18,572**	11,279	**60,762**	43,198
Sustaining Capital Expenditures	**46,956**	38,193	**159,107**	142,120
DRPF project	**32,907**	69,335	**100,981**	192,477
Other capital development expenditures at Bloom Lake	**7,258**	74,741	**45,607**	142,315
Purchase of Property, Plant and Equipment as per Cash Flows	**87,121**	182,269	**305,695**	476,912

Sustaining Capital Expenditures

The tailings-related investments for the three and nine-month periods ended December 31, 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.

[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

10. Cash Flows (continued)

Investing (continued)

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

Sustaining Capital Expenditures (continued)

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

Stripping and mining activities for the three and nine-month periods ended December 31, 2025, were comprised of $2.8 million and $17.9 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 ($5.0 million and $27.0 million, respectively, for the same periods in 2024). During the three and nine-month periods ended December 31, 2025, stripping and mining activities were also comprised of $4.6 million and $21.2 million, respectively, of capitalized stripping costs ($0.4 million and $6.3 million, respectively, for the same periods in 2024).

Other sustaining capital investments for the three and nine-month periods ended December 31, 2025, mainly included expenditures related to mining equipment rebuild programs. These are aligned with the Company's long-term investment strategy to support growth initiatives across the LoM.

DRPF Project

During the three and nine-month periods ended December 31, 2025, the Company spent $32.9 million and $101.0 million, respectively, in capital expenditures related to the DRPF project ($69.3 million and $192.5 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 $440.5 million as at December 31, 2025. A detailed description of the project is presented in section 4 — DRPF Project Update of this MD&A.

Other Capital Development Expenditures at Bloom Lake

During the three and nine-month periods ended December 31, 2025, other capital development expenditures at Bloom Lake totalled $7.3 million and $45.6 million, respectively ($74.7 million and $142.3 million, respectively, for the same periods in 2024), and are detailed as follows:

	Three Months Ended December 31,		**Nine Months Ended December 31,**	
(in thousands of dollars)	**2025**	2024	**2025**	2024
Infrastructure improvements and conformity (i)	**4,989**	5,763	**20,180**	30,828
Mine maintenance garage expansion	**72**	612	**529**	8,075
Deposits or final payment for mining equipment	**578**	117	**16,201**	19,537
Railcars	**—**	59,647	**—**	69,370
Other (ii)	**1,619**	8,602	**8,697**	14,505
Other Capital Development Expenditures at Bloom Lake	**7,258**	74,741	**45,607**	142,315

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

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

ii. Other Main Investing Activities

During the three and nine-month periods ended December 31, 2025, the Company invested $1.1 million and $16.3 million, respectively, in exploration and evaluation assets ($9.2 million and $16.6 million, respectively, for the same prior-year periods) and made advance payments of $4.4 million and $9.8 million, respectively, to third-party service providers for major replacement parts and asset improvement capital expenditures ($2.5 million and $9.2 million, respectively, for the same prior-year periods).

Financing

During the three-month period ended December 31, 2025, the Company made a dividend payment to shareholders totalling $53.3 million and made capital repayments on its lease liabilities of $4.6 million ($51.8 million and $2.5 million, respectively, for the same prior-year period). In addition, Champion repaid $8.5 million on its long-term debt during the three-month period ended December 31, 2025 (net drawdown of $161.4 million for the same prior-year period).

10. Cash Flows (continued)

Financing (continued)
During the nine-month period ended December 31, 2025, the Company made two dividend payments to shareholders totalling $106.7 million ($103.6 million for the same prior-year period) and La Caisse exercised warrants to acquire 15 million ordinary shares of Champion, resulting in total proceeds to the Company of $36.7 million. In addition, Champion issued US$500 million of 7-year Senior Unsecured Notes for net proceeds, after transaction costs, of $666.8 million. Concurrently, the Company used the proceeds from the notes offering to repay its senior credit facilities totalling $456.3 million. During the nine-month period ended December 31, 2025, the Company also made a net drawdown on its long-term debt of $48.9 million ($142.4 million for the same prior-year period) and made payments on lease liabilities of $12.1 million ($6.0 million for the same prior-year period).

11. Financial Position

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

(in thousands of dollars)	As at December 31, 2025	As at March 31, 2025	Variance
Cash and cash equivalents	**245,092**	117,451	109 %
Receivables	**251,498**	202,470	24 %
Inventories	**283,832**	357,489	(21)%
Other current assets	**46,565**	54,895	(15)%
Total Current Assets	**826,987**	732,305	13 %
Advance payments	**78,786**	76,307	3 %
Property, plant and equipment	**2,265,233**	2,046,406	11 %
Exploration and evaluation assets	**97,095**	148,029	(34)%
Other non-current assets	**89,600**	27,154	230 %
Investment in a joint venture	**71,408**	—	100 %
Total Assets	**3,429,109**	3,030,201	13 %
Total Current Liabilities	**322,635**	358,682	(10)%
Long-term debt	**916,101**	666,576	37 %
Lease liabilities	**80,854**	78,619	3 %
Provisions	**127,522**	141,628	(10)%
Net deferred tax liabilities	**377,762**	325,105	16 %
Other non-current liabilities	**94,416**	24,193	290 %
Total Liabilities	**1,919,290**	1,594,803	20 %
Total Equity	**1,509,819**	1,435,398	5 %
Total Liabilities and Equity	**3,429,109**	3,030,201	13 %

Assets
The Company's cash and cash equivalents balance on December 31, 2025, compared to the amount held on March 31, 2025, is detailed in section 10 — Cash Flows of this MD&A.

The increase in receivables was mostly attributable to higher trade receivables due to higher tonnages sold and the utilization of higher forward prices for tonnes subject to provisional pricing at quarter-end. This increase was partially offset by the settlement of the Kami DFS costs concurrently with the Initial Closing of the Kami Transaction as outlined in section 5 — Kami Joint Arrangement of this MD&A.

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

The additions to property, plant and equipment are detailed in section 10 — Cash Flows of this MD&A. The increase during the period was also attributable to additional right-of-use assets related to certain equipment.

The new investment in a joint venture and the decrease in exploration and evaluation assets are discussed in section 5 — Kami Joint Arrangement of this MD&A. The increase in other non-current assets was primarily due to a $58.2 million receivable from the Kami Partnership, corresponding to the $68.6 million initial cash contributions from Nippon Steel and Sojitz made on September 29, 2025, less the Company's pro-rata share of the costs incurred thereafter.

11. Financial Position (continued)

Liabilities and Equity

The decrease in current liabilities was mainly attributable to the timing of payments to suppliers, partially offset by higher interest expense accrued on the US$500 million Senior Unsecured Notes completed on July 2, 2025, new mobile equipment lease liabilities and a higher current portion of the Company's provisions.

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

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

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

Total equity increased by $74.4 million since the beginning of the current financial year as the dividend payment on the Company's ordinary shares was more than offset by the net income generated during the nine-month period and the proceeds from the exercise of warrants by La Caisse.

Liquidity

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

As at December 31, 2025, the Company held $245.1 million in cash and cash equivalents and had $506.3 million in undrawn loans under the revolving facility for total available liquidity of $751.4 million[1].

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

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

In addition, the contemplated acquisition of Rana Gruber, previously announced in the Company's press release dated December 21, 2025 (Montréal), is expected to be funded through a combination of a US$100 million equity private placement with La Caisse, a fully committed term loan of US$150 million by Scotiabank, and approximately US$39 million in cash from the Company's financial liquidities.

The equity private placement with La Caisse is to be completed by way of an issue of 26,765,921 subscription receipts, with each subscription receipt representing the right to receive one ordinary share of Champion upon and conditional on the successful completion of the Rana Gruber Transaction.

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

12. Financial Instruments

The nature and extent of risks arising from the Company's financial instruments are summarized in note 26 to the audited consolidated financial statements for the financial year ended March 31, 2025.

[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

13. Contingencies

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

In relation to the Kami Project, the Second Closing of the Kami Transaction remains subject to: i) the completion of a DFS, expected to be completed by the end of the 2026 calendar year, and ii) Champion and the Partners proceeding with positive IID elections to pursue work towards an FID, as well as other customary closing conditions. Until an FID is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests. Details on contingencies related to the Kami Project and other contingencies are disclosed in notes 21 and 23 to the Financial Statements.

On December 21, 2025, the Company entered into a transaction agreement with Rana Gruber, on the terms of a conditional recommended voluntary cash tender offer to acquire all of the issued and outstanding shares of Rana Gruber at a price of NOK 79 per share, representing an implied total equity value of approximately NOK 2,930 million. To finance the Rana Gruber Transaction, the Company received financial support from La Caisse, who has agreed to participate in a US$100 million equity private placement of subscription receipts by the Company, and from the Scotiabank, who has provided a binding commitment for a new term loan of US$150 million. The completion of the Rana Gruber Transaction is subject to customary conditions, including minimum acceptance thresholds (including the acquisition of more than 90% of the shares and voting rights of Rana Gruber), and other closing conditions.

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

Contractual Obligations and Commitments

The following table details the contractual maturities of the Company's liabilities segmented by period, including estimated future interest payments and future minimum payments of the commitments, as at December 31, 2025:

(in thousands of dollars)	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	**231,768**	**—**	**—**	**231,768**
Long-term debt	**111,822**	**435,173**	**840,877**	**1,387,872**
Lease liabilities	**23,457**	**45,436**	**72,267**	**141,160**
Commitments as per note 23 to the Financial Statements	**105,062**	**70,216**	**182,576**	**357,854**
	472,109	**550,825**	**1,095,720**	**2,118,654**

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

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

Other Off-Balance Sheet Arrangements

As at December 31, 2025, the undrawn portion of the revolving facility is subject to standby commitment fees.

15. Material Judgments, Estimates and Assumptions

In relation to the Kami Partnership, the Company made new judgments, estimates and assumptions.

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 LoM 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.

The Company's other material accounting judgments, estimates and assumptions are summarized in note 2 to the audited consolidated financial statements for the financial year ended March 31, 2025.

16. New Accounting Amendments Issued and Adopted by the Company

The new accounting amendments issued and adopted by the Company are disclosed in note 2 to the Financial Statements.

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

The new accounting standards or amendments issued but not yet in effect are disclosed in note 2 to the Financial Statements.

18. Related Parties

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

Key management personnel

The Company considers members of the Board and some of its senior officers to be key management personnel. Transactions with key management personnel are disclosed in note 28 to the audited consolidated financial statements for the financial year ended March 31, 2025. No significant changes occurred during the three and nine-month periods ended December 31, 2025.

Joint venture

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

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

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

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

During the three and nine-month periods ended December 31, 2025, Champion invoiced management fees and other services to the Kami Partnership totalling $2.1 million.

(in thousands of dollars)	As at December 31, 2025
Investment in a joint venture	**71,408**
Joint venture's contribution note	**58,246**
Other receivables (from a joint venture)	**685**

The joint venture does not have any future minimum payments of commitments as at December 31, 2025.

19. Summary of Quarterly Results

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

	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Financial Data (in millions of dollars, except per share data)								
Revenues	472.3	492.9	390.0	425.3	363.2	351.0	467.1	332.7
Operating income	111.0	132.7	10.6	84.6	50.8	39.6	145.5	55.2
Net income	65.0	56.8	23.8	39.1	1.7	19.8	81.4	25.8
Adjusted net income[1]	65.0	56.8	23.8	39.1	1.7	19.8	81.4	25.8
EBITDA[1]	152.4	174.8	57.8	127.4	88.2	74.5	181.2	85.1
Basic EPS	0.12	0.11	0.05	0.08	0.00	0.04	0.16	0.05
Adjusted EPS[1]	0.12	0.11	0.05	0.08	0.00	0.04	0.16	0.05
Diluted EPS	0.12	0.11	0.05	0.07	0.00	0.04	0.15	0.05
Net cash flows from (used in) operating activities	81.7	121.0	81.1	144.4	(6.4)	134.7	31.4	100.5
Operating Data								
Waste mined and hauled (thousands of wmt)	12,089	12,888	10,964	10,886	9,694	9,324	6,734	6,499
Ore mined and hauled (thousands of wmt)	10,550	10,016	10,071	9,470	10,348	9,287	10,779	9,471
Stripping ratio	1.15	1.29	1.09	1.15	0.94	1.00	0.62	0.69
Ore milled (thousands of wmt)	10,443	9,968	10,501	9,160	10,305	9,125	11,084	9,349
Head grade Fe (%)	29.1	29.6	28.2	29.2	29.3	29.1	29.1	28.7
Fe recovery (%)	79.7	79.6	78.2	78.3	79.1	78.7	79.3	80.2
Product Fe (%)	66.5	66.5	66.3	66.5	66.3	66.3	66.3	66.1
Iron ore concentrate produced (thousands of wmt)	3,661	3,552	3,521	3,167	3,621	3,170	3,877	3,275
Iron ore concentrate sold (thousands of dmt)	3,895	3,851	3,832	3,495	3,287	3,266	3,443	2,969
Statistics (in dollars per dmt sold)								
Gross average realized selling price[1]	162.9	157.5	146.0	160.4	158.8	161.8	171.6	166.3
Net average realized selling price[1]	121.3	128.0	101.8	121.7	110.5	107.5	135.7	112.1
C1 cash cost[1]	73.9	76.2	81.9	80.0	78.7	77.5	76.9	76.6
AISC[1]	89.7	96.9	96.2	93.1	93.9	101.4	91.6	88.0
Cash operating margin[1]	31.6	31.1	5.6	28.6	16.6	6.1	44.1	24.1
Statistics (in U.S. dollars per dmt sold)[2]								
Gross average realized selling price[1]	116.8	114.2	105.5	111.8	113.4	118.9	125.3	123.4
Net average realized selling price[1]	86.9	92.9	73.4	84.9	78.8	79.0	99.2	82.9
C1 cash cost[1]	53.0	55.3	59.2	55.7	56.3	56.8	56.2	56.8
AISC[1]	64.3	70.4	69.5	64.9	67.2	74.3	66.9	65.3
Cash operating margin[1]	22.6	22.5	3.9	20.0	11.6	4.7	32.3	17.6

[1] This is a non-IFRS financial measure, ratio or other financial measure. This measure is not a standardized financial measure under the financial reporting framework used to prepare the Financial Statements and might not be comparable to similar financial measures used by other issuers. Refer to the section 20 — Non-IFRS and Other Financial Measures of this MD&A for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable.

[2] See the "Currency" subsection included in section 6 — Key Drivers of this MD&A.

20. Non-IFRS and Other Financial Measures

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

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

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

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

EBITDA and EBITDA Margin

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

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

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
(in thousands of dollars)	2025	2025	2025	**2025**	**2025**
Income before income and mining taxes	74,646	24,213	104,072	**105,456**	**233,741**
Net finance costs (income)	11,286	(13,256)	25,643	**2,101**	**14,488**
Depreciation	41,446	46,796	45,108	**44,851**	**136,755**
EBITDA	127,378	57,753	174,823	**152,408**	**384,984**
Revenues	425,345	390,027	492,890	**472,309**	**1,355,226**
EBITDA margin	30%	15%	35%	**32%**	**28%**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
(in thousands of dollars)	2024	2024	2024	2024	2024
Income before income and mining taxes	46,693	137,377	31,777	21,347	190,501
Net finance costs	8,831	8,259	7,486	30,508	46,253
Depreciation	29,575	35,524	35,273	36,361	107,158
EBITDA	85,099	181,160	74,536	88,216	343,912
Revenues	332,673	467,084	350,980	363,170	1,181,234
EBITDA margin	26%	39%	21%	24%	29%

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

Adjusted Net Income and Adjusted EPS

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

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2025	2025	2025	**2025**	**2025**
(in thousands of dollars, except shares and per share data)					
Net income	39,140	23,784	56,794	**64,972**	**145,550**
Adjusted net income	39,140	23,784	56,794	**64,972**	**145,550**
(in thousands)					
Weighted average number of ordinary shares outstanding — Basic	518,251	522,702	533,251	**533,251**	**529,760**
Adjusted EPS (in dollars)	0.08	0.05	0.11	**0.12**	**0.27**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2024	2024	2024	2024	2024
(in thousands of dollars, except shares and per share data)					
Net income	25,791	81,357	19,807	1,741	102,905
Adjusted net income	25,791	81,357	19,807	1,741	102,905
(in thousands)					
Weighted average number of ordinary shares outstanding — Basic	518,104	518,080	518,111	518,251	518,147
Adjusted EPS (in dollars)	0.05	0.16	0.04	0.00	0.20

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

Available Liquidity

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

	As at December 31,	As at September 30,
(in thousands of dollars)	**2025**	2025
Cash and cash equivalents	**245,092**	325,504
Undrawn amounts under credit facilities	**506,340**	514,940
Available liquidity	**751,432**	840,444

C1 Cash Cost per dmt sold

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2025	2025	2025	**2025**	**2025**
Iron ore concentrate sold (dmt)	3,495,300	3,831,800	3,850,900	**3,895,300**	**11,578,000**
(in thousands of dollars, except per dmt data)					
Cost of sales	279,644	313,928	293,398	**287,712**	**895,038**
C1 cash cost (per dmt sold)	80.0	81.9	76.2	**73.9**	**77.3**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2024	2024	2024	2024	2024
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	3,287,400	9,995,900
(in thousands of dollars, except per dmt data)					
Cost of sales	227,496	264,911	252,960	258,728	776,599
C1 cash cost (per dmt sold)	76.6	76.9	77.5	78.7	77.7

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

All-in Sustaining Cost per dmt sold

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

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

	March 31, 2025	June 30, 2025	September 30, 2025	**Three Months Ended December 31, 2025**	**Nine Months Ended December 31, 2025**
Iron ore concentrate sold (dmt)	3,495,300	3,831,800	3,850,900	**3,895,300**	**11,578,000**
(in thousands of dollars, except per dmt data)					
Cost of sales	279,644	313,928	293,398	**287,712**	**895,038**
Sustaining capital expenditures[1]	33,230	42,241	69,910	**46,956**	**159,107**
General and administrative expenses	12,457	12,581	9,894	**14,744**	**37,219**
	325,331	368,750	373,202	**349,412**	**1,091,364**
AISC (per dmt sold)	93.1	96.2	96.9	**89.7**	**94.3**

	March 31, 2024	June 30, 2024	September 30, 2024	Three Months Ended December 31, 2024	Nine Months Ended December 31, 2024
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	3,287,400	9,995,900
(in thousands of dollars, except per dmt data)					
Cost of sales	227,496	264,911	252,960	258,728	776,599
Sustaining capital expenditures[1]	19,759	38,008	65,919	38,193	142,120
General and administrative expenses	13,973	12,350	12,114	11,813	36,277
	261,228	315,269	330,993	308,734	954,996
AISC (per dmt sold)	88.0	91.6	101.4	93.9	95.5

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

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

Cash Operating Margin per dmt sold and Cash Profit Margin

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2025	2025	2025	**2025**	**2025**
Iron ore concentrate sold (dmt)	3,495,300	3,831,800	3,850,900	**3,895,300**	**11,578,000**
(in thousands of dollars, except per dmt data)					
Revenues	425,345	390,027	492,890	**472,309**	**1,355,226**
Net average realized selling price (per dmt sold)	121.7	101.8	128.0	**121.3**	**117.1**
AISC (per dmt sold)	93.1	96.2	96.9	**89.7**	**94.3**
Cash operating margin (per dmt sold)	28.6	5.6	31.1	**31.6**	**22.8**
Cash profit margin	24%	6%	24%	**26%**	**19%**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2024	2024	2024	2024	2024
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	3,287,400	9,995,900
(in thousands of dollars, except per dmt data)					
Revenues	332,673	467,084	350,980	363,170	1,181,234
Net average realized selling price (per dmt sold)	112.1	135.7	107.5	110.5	118.2
AISC (per dmt sold)	88.0	91.6	101.4	93.9	95.5
Cash operating margin (per dmt sold)	24.1	44.1	6.1	16.6	22.7
Cash profit margin	21%	32%	6%	15%	19%

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

Gross Average Realized Selling Price per dmt sold

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

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

				Three Months Ended	**Nine Months Ended**
	March 31,	June 30,	September 30,	**December 31,**	**December 31,**
	2025	2025	2025	**2025**	**2025**
Iron ore concentrate sold (dmt)	3,495,300	3,831,800	3,850,900	**3,895,300**	**11,578,000**
(in thousands of dollars, except per dmt data)					
Revenues	425,345	390,027	492,890	**472,309**	**1,355,226**
Provisional pricing adjustments	(5,389)	26,552	(40,935)	**(4,373)**	**(18,756)**
Freight and other costs	140,627	142,687	154,436	**166,539**	**463,662**
Gross revenues	560,583	559,266	606,391	**634,475**	**1,800,132**
Gross average realized selling price (per dmt sold)	160.4	146.0	157.5	**162.9**	**155.5**

				Three Months Ended	Nine Months Ended
	March 31,	June 30,	September 30,	December 31,	December 31,
	2024	2024	2024	2024	2024
Iron ore concentrate sold (dmt)	2,968,900	3,442,800	3,265,700	3,287,400	9,995,900
(in thousands of dollars, except per dmt data)					
Revenues	332,673	467,084	350,980	363,170	1,181,234
Provisional pricing adjustments	31,005	(27,947)	22,947	17,407	12,407
Freight and other costs	130,074	151,547	154,425	141,568	447,540
Gross revenues	493,752	590,684	528,352	522,145	1,641,181
Gross average realized selling price (per dmt sold)	166.3	171.6	161.8	158.8	164.2

21. Share Capital Information

The Company's share capital consists of ordinary shares without par value. As of January 28, 2026, there were 533,251,001 ordinary shares issued and outstanding, and 7,306,587 restricted share units, deferred share units and performance share units issued under the Company's Omnibus Incentive Plan.

22. Risk Factors

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

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

Refer to the section entitled "Risk Factors" in the Company's MD&A for the financial year ended March 31, 2025, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com to see the principal risk factors that apply to the Company and that may have a material adverse effect on its business, operating results and financial condition and for information about the Company's exposure to each of the described risks. In addition, Champion is also subject to the various risks and uncertainties relating to the Rana Gruber Transaction, including the risks described in the "Cautionary Note Regarding Forward-Looking Statements" section of this MD&A.

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

Disclosure Controls and Procedures

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

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

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

Internal Control over Financial Reporting

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

There have been no changes in the Company's ICFR that occurred during the period beginning on October 1, 2025, and ended on December 31, 2025, which have materially affected or are reasonably likely to materially affect the Company's ICFR.

Limitations of DC&P and ICFR

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

24. Approval

The Board oversees Management's responsibility for financial reporting and internal control systems through its Audit Committee. The Audit Committee meets quarterly with Management and with the Company's independent auditors to review the scope and results of the annual audit and quarterly reviews, as applicable, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and submitted to the shareholders. The Board has approved the Financial Statements and the disclosure contained in this MD&A as of January 29, 2026.

25. Nature of Securities

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

26. Additional Information

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