

April 13, 2026

NEWSLETTER

CHAMPION IRON 



**A RARE SOLUTION TO
DECARBONIZE STEELMAKING**

CHAMPION IRON NEWSLETTER

Since our previous newsletter dated September 15, 2025, Champion Iron Limited (“Champion” or the “Company”) has reported its third quarter results for the 2026 financial year, ended December 31, 2025. Quarterly production totaled 3.7M wet metric tonnes (“wmt”) of 66.5% high-grade iron ore concentrate with sales reaching an all-time record of 3.9M dry metric tonnes (“dmt”), positively impacted by improved railway haulage. Concurrently with the record sales, iron ore concentrate stockpiled at Bloom Lake decreased by 1.1M wmt quarter-over-quarter to 0.6M wmt. Inventory drawdowns are anticipated to continue in future periods at varying rates, reflecting planned maintenance activities at both the mine and railway.

Significant progress has been made on Bloom Lake’s Direct Reduced Pellet Feed (“DRPF”) project, which will upgrade half of the mine’s nameplate capacity from 66.2% Fe up to 69% Fe. The project remains on track and on budget with the first production of commercially sellable DR-quality iron ore expected by the end of H1 2026 with volumes ramping up thereafter. Champion continues to see structural long-term demand to be growing for DR quality iron ore globally.

DRPF PROJECT COMMISSIONING



During financial Q3/2026, the Company also announced that it had entered into a transaction agreement with Rana Gruber ASA (“Rana Gruber”) on the terms of a recommended voluntary cash tender offer to acquire all issued and outstanding shares of Rana Gruber for approximately NOK 2,930M (approximately US\$300M) (the “Transaction”). The Company expects to fund the Transaction through a combination of equity, debt, and cash on hand, including a US\$100M equity private placement with Caisse de dépôt et placement du Québec, a global investment group and long-standing financial partner of the Company, and a fully committed US\$150M term loan solely underwritten by The Bank of Nova Scotia and supported by a syndicate of financial institutions, including Export Development Canada. Following the closing of the Transaction, Champion will focus on strengthening collaboration between teams to maximize opportunities while minimizing impacts on employees and the local community.

The Transaction positions Champion to benefit from several strategic advantages, including a positive contribution to financial results while further strengthening the Company’s leadership in the global high-grade iron ore market. By adding a complementary asset and expanding its product portfolio, Champion continues to diversify its production base and enhance its presence in key markets. Located in Mo i Rana, Norway, the operation produces approximately 1.8 Mtpa from a combination of two iron ore products: a high-grade hematite concentrate, including a recent project to upgrade to 65% Fe, and a specialty magnetite concentrate at approximately 70% Fe used in sectors outside traditional metallurgy, such as water purification and industrial chemical applications. Rana Gruber’s proximity to the European steel industry positions the asset as a preferred supplier of high-grade iron ore, supported by established relationships with regional customers. It also benefits from one of the lowest carbon intensities in the global iron ore industry, further reinforcing Champion’s commitment to supporting the decarbonization of the steel supply chain. This strategic location and strong environmental profile position the operation to benefit from Europe’s Carbon Border Adjustment Mechanism (“CBAM”), while also enabling the Company to capitalize on a potentially strengthening European steel market supported by recently announced tariffs and regulatory measures¹.

RANA GRUBER OPERATIONS IN MO I RANA

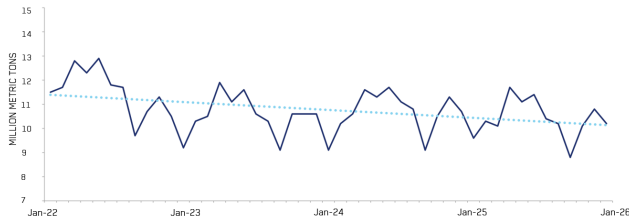


A BRIGHTER OUTLOOK FOR EUROPE

The European steel industry has recently faced a challenging period, driven by two major pressures: historically high energy prices and weakening demand in key steel-using sectors. At times, energy costs accounted for as much as 80% of total production expenses, far above the historical average of approximately 17%², forcing many mills to adjust operations. At the same time, steel demand weakened across key sectors, with construction consumption falling 2.1% in 2024 and automotive demand decreasing by 9.7% over the same period³. Together, these sectors account for the majority of total European finished steel demand. These combined pressures weighed heavily on profitability, prompting production cuts and the idling of more than half of Europe’s blast furnace capacity⁴. Accordingly, recent crude steel output fell by nearly 20% compared with 2022 levels⁵, while imports of lower-cost steel, particularly from

Asia, surged, further displacing domestic production and putting additional strain on the European market.

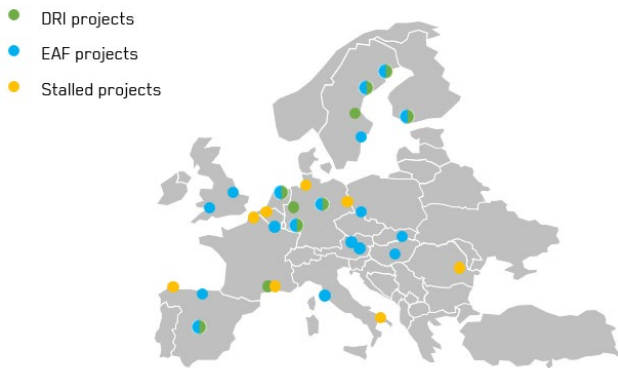
MONTHLY CRUDE STEEL SUPPLY IN EUROPE



Source: Clarksons data, Champion Iron Limited

Prolonged uncertainty with the implementation and effectiveness of the CBAM added to the challenges faced by European steelmakers, dampening confidence to commit capital toward decarbonizing the industry and costly green steel projects. This ambiguity has slowed the pace of the industry’s green transition, leading to delays and deferrals of several planned low-carbon initiatives, including hydrogen-based DRI and electric arc furnace (“EAF”) investments. While Europe positions itself as a leader in low-emission steel production, many companies have deferred final investment decisions pending greater policy clarity and more robust support mechanisms.

EUROPEAN GREEN STEEL PROJECTS



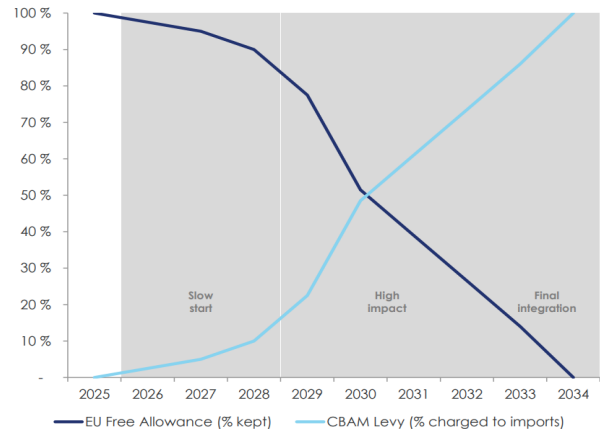
Source: Wood Mackenzie data, Champion Iron Limited

More recently, the outlook for the European steel industry has begun to shift. Important foundations were laid out in 2025 that point toward a more supportive operating environment in the years ahead. Steel prices in Europe have already begun to respond to these changing dynamics, as evidenced by hot-rolled coil (“HRC”) rising nearly 33% since the low reached on July 16, 2025, and up approximately 15% since January 1, 2026⁶. The region’s largest steel producer has also signaled that conditions may be improving⁷, citing early signs of policy support aimed at restoring competitiveness and stabilizing domestic production, and subsequently confirming the construction of an EAF at a steelmaking site in France⁸. Two key developments are driving this change: the gradual rollout of the CBAM and the

tightening of steel import protections through updated tariff-rate quota measures.

The first of these developments, the CBAM, represents a major change for the European steel sector by turning carbon from a regulatory metric into a direct financial cost. Its financial phase-in began on January 1, 2026, requiring importers to gradually pay for the embedded emissions in their steel products. In tandem, free emission allowances previously granted to domestic producers under the EU Emissions Trading System (“EU ETS”) are being progressively phased out. From 2026 through 2034, these free allocations will steadily decline as CBAM is fully implemented. By simultaneously removing free allowances for domestic producers and applying a carbon cost to imports, the EU aims to level the competitive playing field between European steelmakers and higher-emission foreign suppliers. The mechanism is expected to favor imports of metallics such as gas-based DRI and hot briquetted iron (“HBI”), which typically carry relatively low embedded emissions, and need direct reduction quality iron ore for its production.

THE PHASING PERIOD OF CBAM



Source: Clarksons Securities

The second key development involves strengthened EU steel safeguard measures, which provide additional regulatory support for domestic producers. Policymakers are replacing the current country-specific tariff-rate quota system with a global import cap of 18.3M tpa, representing an approximately 47% reduction compared to 2024 levels⁹. At the same time, out-of-quota tariffs will double from 25% to 50% to discourage excess global supply from entering the European market. These safeguards are designed to prevent the region from being flooded with lower-priced imports and support domestic pricing by tightening available supply.

Together, the tightening of import safeguards and the gradual implementation of CBAM are expected to reshape the market environment for European steelmakers. By limiting import volumes while reintroducing a carbon cost

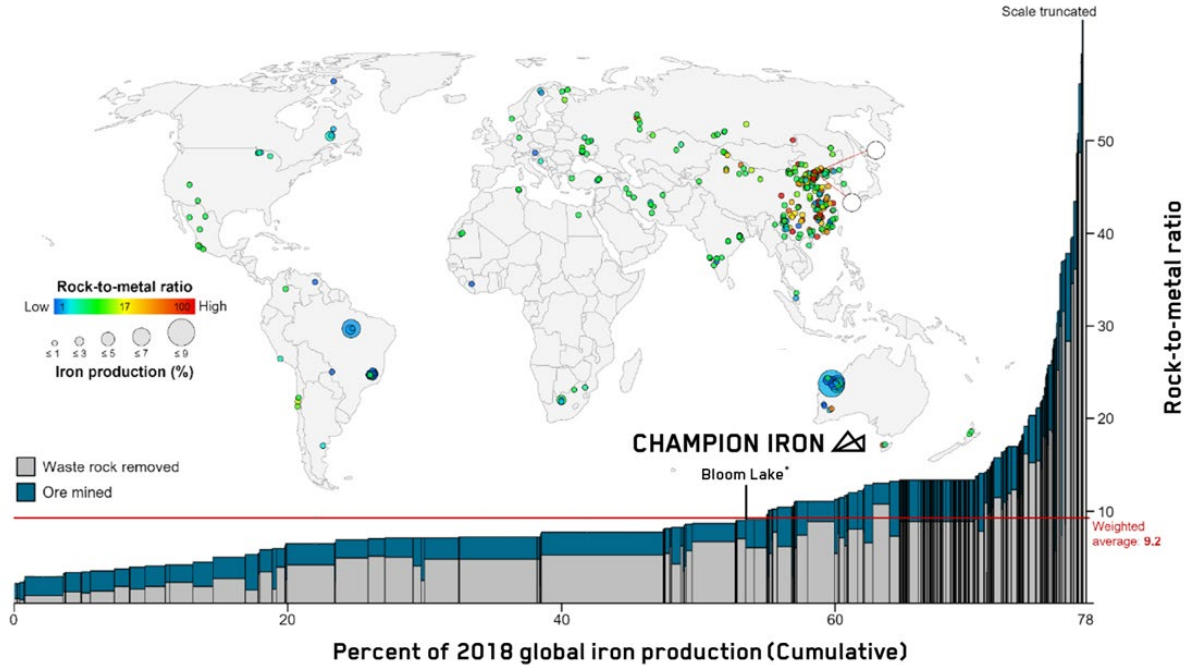
advantage for local producers, these measures should help restore capacity utilization, allow domestic producers to regain market share, improve sector profitability and support investments to increase capacity and decarbonize. At the same time, the CBAM will create a powerful incentive for investment in lower-carbon production technologies. This dynamic supports the EU's objective of becoming the first climate-neutral continent by 2050 and the targets set out in the "Fit for 55" package introduced in 2021. Under the CBAM methodology, scrap-based EAF production and gas-based DRI processes are expected to face relatively limited direct exposure, even when the mechanism is fully phased in and carbon prices rise, making them attractive pathways for the next generation of European steelmaking capacity.

MIDDLE EAST UPDATE

Ongoing conflict in the Middle East has recently escalated, including compromised access to the Strait of Hormuz. The announcement effectively paralyzed one of the world's most critical maritime corridors, not only for oil but also for bulk commodities such as iron ore, pellets, and steel. Iran itself plays a central role in this ecosystem, having remained the world's sixth-largest iron ore producer in 2025 with approximately 81 Mt of run-of-mine output, alongside approximately 25 Mt of historical iron ore exports¹⁰, primarily directed toward China. The country is also a key supplier of DR-grade iron ore used by regional pelletizers that ultimately support global steel production. Accordingly, disruptions to Iranian iron ore supply are likely to force a reconfiguration of established trade flows, with DR pellet producers seeking alternative sources of high-grade feedstock. While Iran's iron ore supply may be at risk, some merchant pelletizers that require access to the Strait of Hormuz to import iron ore and ultimately export pellets may also be impacted, equally impacting the supply chain of pellets for the region and global markets¹¹. Ultimately, suppliers of high-purity iron ore from stable jurisdictions could become preferred long-term suppliers to merchant pelletizers and steelmakers.

The conflict is also expected to drive a structural increase in the global iron ore cost curve, primarily through rising diesel and freight costs. Open-pit mining operations are especially exposed, as most haul trucks and mining equipment rely heavily on diesel. Scenario analyses indicate a potential 11% increase in the global cost base driven by energy and shipping shocks¹². A key factor amplifying these cost pressures for specific operations is the rock-to-metal ratio ("RMR"), which measures how much total material must be moved to produce a unit of final metal. Globally, iron ore operations show a wide dispersion in RMRs, with a production-weighted average of around 9.2, but significantly higher ratios are observed at iron ore concentrate operations in China and India¹³. These elevated RMRs reflect lower ore grades and more complex ore bodies, requiring substantially more material movement per tonne of iron ore produced, thereby increasing exposure to diesel-driven cost inflation. In contrast, Bloom Lake sits lower on the RMR curve because fewer tonnes of material need to be mined, hauled, and processed per unit of iron. This results in reduced bulk material movement and lower associated diesel consumption compared with many other operations. Additionally, some global iron ore producers rely on diesel or thermal coal to power their processing facilities. In comparison, Bloom Lake benefits from access to renewable power at a fixed price for its processing facilities, providing structurally lower diesel exposure compared to many other iron ore producers, particularly in India and China, and enhancing cost resilience in a volatile energy environment. The distinction between concentrate operations and direct shipping ore ("DSO") operations, such as those in Australia, is particularly important for RMR analysis. While DSO operations typically require less processing, they generally produce lower grades with higher impurity levels compared to iron ore concentrates. Additionally, with rising energy costs, steelmakers are expected to increasingly favor higher-grade iron ore, as it reduces overall energy consumption across both blast furnace and DRI/EAF production routes¹⁴.

ROCK-TO-METAL RATIO: Bloom Lake and the Labrador Trough compare favourably with many other iron ore producing regions¹⁵.



Source: U.S. Geological Survey, Champion Iron Limited.

*Rock-to-Metal ratio chart: Map of the global distribution of iron operations and bar plot of cumulative share of total global iron production. Each individual operation is plotted as a single circle on the map and single bar on the plot. The colors of the circles indicate individual rock-to-metal ratios (RMRs), which range from a low of 1.5 to a high of 1.0×10^2 and yield a global RMR of 9.2 ($n = 428$). The sizes of the circles are proportional to an operation’s share (in percent) of total global iron production, which range from a low of $<0.001\%$ to a high of 8.9% for a total global coverage of 78% of 2018 global iron production reported by the U.S. Geological Survey. Operations are ordered from lowest to highest RMR on the bar plot. Approximate position of Bloom Lake showing RMR estimated at approx. 9.1 based on life-of-mine figures from NI 43-101 Technical Report entitled “Mineral Resources and Mineral Reserves for the Bloom Lake Mine” with effective date April 1, 2023.

THANK YOU TO OUR STAFF & PARTNERS

As we continue advancing our mission to support the decarbonization of the steel industry, we are reminded that our progress is made possible by the dedication and expertise of our employees and the steadfast support of our partners. Their collaboration and shared commitment have been instrumental in driving meaningful achievements across our operations, sustainability initiatives, and efforts to strengthen our presence in new markets. While global events, including recent developments in the Middle East, underscore the importance of resilient supply chains, our team’s focus ensures that we are well-positioned to navigate these challenges and contribute to a lower-carbon steel industry. We sincerely thank our entire team and stakeholders for their ongoing trust and contributions as we work together to build a more sustainable, responsible, and future-ready iron ore and steel sector.



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Michael O’Keeffe
 Executive Chairman of the Board



Alexandre Belleau
 Chief Operating Officer



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FORWARD-LOOKING INFORMATION

This newsletter includes certain information that may constitute “forward-looking information” under applicable securities laws. All statements, other than statements of historical facts, included in this newsletter that address future events, developments or performance that Champion expects to occur, including statements regarding: (i) Bloom Lake’s production and expanded nameplate capacity and operational maintenance and improvements; (ii) the DRPF Project and its expected project timeline, budget, financing and benefits, including additional customers, production base and expanded geography; (iii) expectations for the DRPF Project’s first production of commercially sellable DR-quality iron ore to occur by the end of H1 2026 with volumes ramping up thereafter; (iv) expectations that structural demand for DR quality will remain robust and grow, particularly in Europe and MENA; (v) the shift in the steel industry to transition to green steel and to reducing emissions, announcements to address elevated emissions embedded in steel, increase in DRI and HBI demand and EAF capacities, and the Company’s positioning in connection therewith and expected benefits thereof for the Company; (vi) expectations regarding a potentially strengthening European steel market; (vii) global macroeconomic conditions and factors that could influence the steel market and iron ore production (including supply, demand and premiums) and expected benefits thereof for the Company; (viii) expectations regarding the impacts of the conflict in the Middle East, including, but not limited to, a structural increase in the global iron ore cost curve, primarily through rising diesel and freight costs; (ix) impact of the Company’s operations on the environment and communities; (x) shipping and sales of accumulated concentrate inventories; (xi) carbon costs reduction and related mechanisms and incentives and their impacts; (xii) the expectations regarding whether the Transaction will be completed, including whether any conditions to completion will be satisfied or waived; (xiii) the expected sources of financing of the Transaction and the consummation of the financing contemplated by the committed debt financing; (xiv) the ability of Champion to successfully integrate Rana Gruber’s businesses, processes, systems and operations; (xv) the other expected benefits and synergies of the Transaction; and (xvi) the Company’s growth, opportunities and vision generally, are 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 “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. Although Champion believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company’s actual results,

performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those expressed or implied in forward-looking statements include, without limitation: project delays; changes in the assumptions used to prepare feasibility studies; continued availability of capital and financing and general economic, market and business conditions; general economic, competitive, political and social uncertainties and unrest, including the Russia-Ukraine and Iranian crises, their development and their impacts on the steel and iron ore industries and the global economy; the effects of catastrophes and public health crises, the iron ore market and Champion's operations; future prices of iron ore; failure of plant, equipment or processes to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2025 Annual Information Form and the risks and uncertainties discussed in the Company's Management's Discussion and Analysis for the year ended March 31, 2025, all of which are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com. Champion cautions that the foregoing list of risks and uncertainties is not exhaustive. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. All of Champion's forward-looking information contained in this newsletter is given as of the date hereof and is based upon the opinions and estimates of Champion's Management and information available to Management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of its forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. If Champion does update certain forward-looking information or statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements or information. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. The forward-looking statements contained herein are made as of the date hereof or such other date or dates specified in such statements.

P62: Platts TSI IODX 62% Fe CFR China; P65: Platts IO Fines 65% Fe CFR China; C3: Freight rate Tubarao-Qingdao

Green steel refers to steel that is produced using processes that significantly reduce or eliminate Green House Gases ("GHG") compared to traditional steelmaking, which typically relies on blast furnaces that use coal as both a fuel and a reductant. Accordingly, the steel industry typically classifies green steel as either optimizing traditional steelmaking, including improved supply chains using quality metallics such as DRI and HBI. Additionally, green steel refers to using alternative methods of steelmaking, including EAF, which utilizes recycled scrap metal or DRI to minimize GHG emissions, and could potentially be adapted to use hydrogen as a main source of energy.

1 European Parliament, January 27, 2026
 2 Clarksons, January 15, 2026
 3 Eurofer, June 19, 2025
 4 European Commission, March 19, 2025
 5 Clarksons, January 15, 2026
 6 Platts data
 7 S&P Global, February 5, 2026
 8 Reuters, February 10, 2026
 9 European Parliament, January 27, 2026
 10 Wood Mackenzie, March 4, 2026
 11 Minespans, March 2026
 12 S&P Capital IQ, March 10, 2026
 13 U.S. Geological Survey (Nassar et al.), 2022
 14 BMO, March 10, 2026
 15 U.S. Geological Survey, 2018