

SUSTAINABILITY HIGHLIGHTS

Commitment to sustainability is deeply anchored in Champion's culture. As a mining company, we recognize our duty to protect the environment and biodiversity and provide a safe and inclusive working environment, avoiding social inequities, embracing cultures and respecting human rights. Integrating sustainable practices while conducting our business is an essential element to minimize risks, improve operational efficiency and, above all, create a positive impact for all our stakeholders. Our commitment to sustainable practices is highlighted through sustainability key performance measures that are directly linked to Management compensation.

We continuously work to innovate and produce high-purity iron ore products that enable our customers to produce steel more sustainably. Champion is committed to playing a leading role in the global transition to a low-carbon economy. As such, we consistently seek opportunities to enhance energy efficiency, decarbonize our operations and develop products that reduce both our carbon footprint and that of our customers.

Our commitment is reflected in our sustainability policies, which include, amongst others, Human Rights, Environmental, Responsible Procurement, Prevention and Handling of Harassment and Discrimination in the Workplace, and Health and Safety Policies. While our policies primarily apply to our organization, several commitments also refer to our supply chain. All of our sustainability policies are available on our website at www.championiron.com.

The Company's responsible procurement policy is designed to prevent complicity in, or the facilitation of, human rights violations or modern slavery throughout its supply chain. The Company's Modern Slavery Statement for the 2026 financial year, prepared in accordance with the Australian Modern Slavery Act 2018 (Cth) and Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, is available on our website at www.championiron.com.

FY2026 Sustainability Highlights

Environment

- No major environmental incidents reported since Bloom Lake was recommissioned in 2018;
- Maintained a 99.0% water reuse rate¹;
- Achieved a 36% year-over-year reduction in NO_x emissions per tonne of iron ore concentrate produced; and
- Reduced GHG emissions per tonne of material mined and hauled by 2.6% year-over-year.

Stakeholder, People & Community

- Employee total recordable injury frequency rate of 1.54, outperforming the Québec industry average rate of 1.98²;
- Continued the Kapatakan initiative, an immersive cultural program fostering connections between the Innu community and the Company's workforce, with the participation of 160 employees. The Company was recognized and awarded at the 2025 Québec Mining Association Gala;
- Continued to support local communities through donations and sponsorships, reinforcing Champion's commitment to positively impact Québec's Côte-Nord region; and
- Produced and disclosed our first Social Monitoring Report, highlighting stakeholder engagement activities and the monitoring of socio-economic components associated with Bloom Lake mine site activities.

Governance

- Successfully met or exceeded all 14 sustainability targets for the reporting period;
- Assessed and updated corporate policies and committee charters to align governance practices with industry standards; and
- Increased Canadian procurement to 94.9% of total procurement spending (up from 92.5% last year), representing \$1.33 billion invested in the Canadian economy.

¹ From October 1, 2024, to September 30, 2025

² Based on most recent publicly available data (2024) from the [Québec Mining Association](http://www.quebecminingassociation.com) (in French only)

Sustainability Highlights (continued)

The figure below presents the Company's 2026 financial year objectives and results.

	Objectives	Cumulative	
Environment	Compliance	Achieve 0 major or significant environmental incidents/violations	Achieved: 0
	Water Management	% of reused/recycled water: 90%	Achieved: 99.07%
	Tailings Management	Achieve 100% compliance with the Mining Association of Canada's tailings management governance model and framework towards monitoring tailings retaining structures	Achieved: 100%
	Climate Change	Governance: Complete an initial Transition Risk Assessment, identifying risks and opportunities that arise from efforts to transition to a lower-carbon economy, including policy, technological, market and reputational elements	Achieved: See the Company's Sustainability Report on pages 205 to 208
		GHG emissions: Assess the Scope 3 impact and emission reduction opportunities of the commercialization of the DRPF project, producing DR quality iron ore	Achieved: Conclusions were presented to the Board
Social, People & Community	Health and Safety	Incident frequency (Q10): 1.9	Achieved: 1.54
		Incident frequency (Contractor): 3.0	Achieved: 2.35
		Zero Fatalities	Achieved: 0
	Diversity and Inclusion	Achieve a year-on-year increase in the number of women employees working at the Company and implement supporting initiatives to foster their development	Achieved: +7, and deployed initiatives throughout the year
	Community Relations	Address 100% of grievances within 30 days	Achieved
Governance	First Nations Partners	Organize and hold an annual consultation with our First Nations partners to assess alignment and opportunities for enhanced collaboration	Achieved: Meeting held during the year in addition to the planned ongoing activities
	Diversity	Maintain a minimum of 30% female representation on the Board of Directors	Achieved: 38%
	Management	Update all public corporate governance and sustainability policies, as needed, and adopt new policies, to reflect stakeholder expectations and align with industry best practices as per the Company's annual policy review framework	Achieved: Policies and Charters were reviewed and approved by the Board in January 2026
	Australian Accountability Standard Board	Identify and disclose physical and transition climate-related risks and opportunities, analyze their financial impact where possible, and optimize the Company's visibility in mitigating risks while leveraging its unique position in the green steel supply chain	Achieved: See the Company's Sustainability Report on pages 201 to 209 and on page 213

Sustainability Highlights (continued)

Building on this progress, the following objectives reflect the Company's ambitions for the 2027 financial year across our environmental, social and governance performance.

	Objectives	
Environment	Compliance	CIL: Achieve 0 major or significant environmental incidents/environmental violations
	Water Management	QIO: Achieve 90% of recycled consumption
	Tailings Management	QIO: Achieve 100% compliance with the Mining Association of Canada's tailings management governance model and framework for monitoring tailings retaining structures
	Climate Change	QIO: Reduce Scope 3 emissions by at least five hundred thousand tonnes of CO ₂ equivalent year-over-year, compared to FY26, supported by the commissioning of the DRPF project and expected sales to DRI/EAF producers
Social, People & Community	Health and Safety	Incident frequency (QIO): 1.80
		Incident frequency (Contractor): 2.85
		Zero Fatalities
	Community Relations	QIO: Address 100% of grievances within 30 days. Grievances considered under this KPI include those recorded through Bloom Lake-Plaintes (the current grievance mechanism) as well as those identified during stakeholder engagement activities, provided they trigger a response action and fall within the scope of influence and leverage of the teams and the Company to address
	Local Stakeholders Relations	QIO: Organize and hold an annual consultation with our First Nations partners to assess alignment and opportunities for enhanced collaboration
Governance	Diversity	Maintain a minimum of 30% female representation on the Board of Directors
	Management	Update all public corporate governance and sustainability policies, as needed, and adopt new policies, to reflect stakeholder expectations and align with industry best practices as per the Company's annual policy review framework
	Climate Reporting	CIL: Harmonize S2 Climate-related Disclosures across Champion's portfolio of producing assets, including Scope 1, 2 and 3 (metrics) emissions

07. SUSTAINABILITY REPORT- CLIMATE-RELATED DISCLOSURES



Champion Iron Limited

Sustainability Report - Climate-Related Disclosures

About This Report	6
Climate-Related Governance	8
1. Climate-Related Governance, Responsibilities and Skills	8
2. Board's Oversight of Climate-Related Risks and Opportunities	9
3. The Management's Role	9
Strategy	11
1. Champion's Mission, Vision & Strategy	11
2. Time Horizon and Climate Scenarios	12
3. Materiality Assessment	15
4. Climate-Related Risks and Opportunities	16
5. Climate Resilience of Our Business Model & Value Chain	25
Risk Management	27
Metrics & Targets	30
Directors' Declaration	34

ABOUT THIS REPORT

Basis of Preparation and Statement of Compliance

Champion Iron Limited (“Champion”, the “Company” or the “Group”) prepared this 2026 Sustainability Report (the “Sustainability Report”) which highlights the climate-related financial disclosures of its controlled and owned subsidiaries, including Quebec Iron Ore Inc. (“QIO”) as well as the Kami Iron Mine Partnership (the “Partnership” or “Kami”). The use of “Champion”, “the Company” or the “Group” in this report refers to Champion Iron Limited and its subsidiaries, including QIO and Kami.

This report presents a complete set of climate-related financial disclosures for the financial year ended March 31, 2026. It focuses primarily on the Bloom Lake Mining Complex (“Bloom Lake”), the Company’s principal asset operated by QIO in Québec, Canada and on development activities related to Kami¹.

This report has been prepared in accordance with Australian Accounting Standards Board (“AASB”) S2 Climate-related Disclosures (“AASB S2”), the mandatory Australian Sustainability Reporting Standard (“ASRS”) issued by the AASB and in compliance with applicable legislative requirements in the Corporations Act 2001 (Cth) (the “Corporations Act”).

The disclosures contained herein have been prepared for the financial year ended March 31, 2026, and are aligned with the Company’s financial reporting cycle.

The climate-related financial information included herein relates to the Company’s consolidated financial statements for the financial year ended March 31, 2026 (the “Consolidated Financial Statements”). This report should be read in conjunction with the Consolidated Financial Statements. All monetary amounts are presented in Canadian dollars (CAD), consistent with the Consolidated Financial Statements, unless where otherwise indicated.

In accordance with the transition reliefs available under AASB S2, the Company has elected not to present comparative information for most climate-related financial disclosures in this first year of application. However, comparative information related to greenhouse gas (“GHG”) emissions is disclosed where available. The Company has applied the transitional relief available under AASB S2 which permits entities not to disclose Scope 3 GHG emissions in the first annual reporting period of application. Notwithstanding this relief, the Group has voluntarily disclosed selected Scope 3 emissions information, prepared with reference to the GHG Protocol Corporate Value Chain (“Scope 3”) Accounting and Reporting Standard. The information is not intended to represent full compliance with AASB S2 Scope 3 measurement requirements, is not required to be included in this report by the Corporations Act or AASB S2 and is not subject to the same assurance and liability regime as the rest of this report.

Forward-Looking Statements

This report contains forward-looking statements and forward-looking climate-related information (collectively, “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.

Forward-looking statements include, among other things, scenario analyses, transition and physical risk assessments, projected emissions trajectories, the impact of these risks on the Company’s operations and financial position, mitigation and other measures taken in response to these risks, including optimization programs, capital expenditures and investments, the DRPF Project and its progress, commissioning and expected benefits, and the Company’s growth and opportunities generally.

¹ The impacts, risks and opportunities associated with Rana Gruber ASA (“Rana Gruber”) are not reflected in this report, as the acquisition of Rana Gruber was completed after the end of the reporting period and, therefore, falls outside the scope of the defined reporting entity and reporting period. Champion intends to assess the integration of Rana Gruber’s climate-related risks, opportunities, and emissions data into its reporting framework in subsequent reporting periods once Rana Gruber is included within the consolidated group.

About this Report (continued)

Forward-Looking Statements (continued)

Forward-looking statements have been prepared using all reasonable and supportable information available to the Company at the reporting date without undue cost and effort and are based on assumptions considered reasonable at the date of publication but involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, that may cause actual results to potentially differ substantially from those expressed or implied in such forward-looking statements.

Factors that could cause actual results to differ materially from those expressed or implied by 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 to operate as anticipated; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; the results of feasibility and other studies; changes in the assumptions used to prepare feasibility and other 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 Champion's Management's Discussion and Analysis and its Annual Report for the financial year ended March 31, 2026, available under the Champion's profile on the ASX at www.asx.com.au, SEDAR+ at www.sedarplus.ca, and the Company's website at www.championiron.com.

If any one or more of these risks or uncertainties materializes or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. All of the forward-looking statements contained in this Report are given as of the date hereof and are based upon the opinions, estimates and information available 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 one or more forward-looking statements is updated, no inference should be drawn that additional updates with respect to those or other forward-looking statements will be made.

"Green steel" refers to steel that is produced using processes that significantly reduce or eliminate 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 Direct Reduced Iron ("DRI") and Hot Briquetted Iron ("HBI"). Additionally, green steel refers to using alternative methods of steelmaking, including electric arc furnaces ("EAF"), which utilize recycled scrap metal or DRI to minimize GHG emissions, and could potentially be adapted to use hydrogen as a main source of energy.

CLIMATE-RELATED GOVERNANCE

In accordance with AASB S2 requirements, the processes and structures described herein are currently being developed and implemented. Processes are being established to ensure that Champion's Sustainability and Indigenous Affairs Committee (the "SIA Committee") is informed, beginning in FY2027, of climate-related risks and opportunities, including those identified in this report.

1. Climate-Related Governance, Responsibilities and Skills

The Company's Board of Directors (the "Board"), supported by its committees, holds ultimate responsibility for overseeing and addressing risks and opportunities, including climate-related risks and opportunities. The Audit Committee is tasked with overseeing the establishment and implementation of a system for identifying, assessing, monitoring and managing risks including climate-related risks and opportunities. The Remuneration, People and Governance Committee (the "RPG Committee") is responsible for overseeing the setting of sustainability and climate-related metrics and targets linked to executive compensation. The SIA Committee is in charge of monitoring and reviewing the climate change-related risks and opportunities, designating accountable executive officers for material sustainability risks including climate change, and reviewing reports related to climate-related targets. These responsibilities are reflected in the charter of the SIA Committee.

The Board determines whether appropriate skills and competencies are available to oversee climate-related risks and opportunities through the composition of its committees and their respective mandates. In this regard, the Board benefits from the expertise of Ms. Louise Grondin, who has served as a Director since August 2020 and currently acts as Chair of the SIA Committee. Ms. Grondin has extensive executive experience in environment, sustainability, and people leadership within the mining sector, complemented by advanced academic training in engineering, environmental sciences, and meteorology. Her background supports informed oversight of climate-related matters, including physical and transition risks. Since the establishment of the former Environment, Social and Governance Committee, and the currently constituted SIA Committee², Ms. Grondin has played a central role in reviewing Champion's sustainability practices, disclosures, climate and energy reporting, and climate risk assessments.

In addition, Champion's Board has a diverse range of backgrounds, skills and experience that enhance Champion's decision-making and oversight. To promote a Board composition that reflects a broad range of skills and complementary expertise, thereby strengthening collective decision-making, the Board has developed a skills matrix. The skills matrix includes Environment and Sustainability elements, encompassing climate-related subjects.

Every year, the Board members complete a self-assessment against the competencies required to serve on the Board's committees, including the SIA Committee. Through this process, the Board attests to having the appropriate skills and competencies to provide effective oversight of climate-related risks and opportunities.

² The ESG Committee, established in November 2021, was renamed the Sustainability and Indigenous Affairs Committee in April 2023 to reflect its expanded mandate and responsibilities more accurately.

Climate-Related Governance (continued)

2. Board's Oversight of Climate-Related Risks and Opportunities

The SIA Committee meetings shall be held not less than once every quarter enabling the Committee to effectively undertake its role. During the reporting period, the SIA Committee met four times, fulfilling its minimum quarterly meeting requirement. The SIA Committee is mandated to monitor and review climate-related risks and opportunities at least annually and, accordingly, to be informed at least annually of the results of the executive team's (the "Management" or the "Management team") review of physical and transition climate-related risks and opportunities. Consistent with this mandate, the SIA Committee was initially informed subsequent to the financial year-end and it will be kept informed on an annual basis regarding the evolution of these risks and their impacts on the Company and its financial prospects. These risks and opportunities are assessed on an ongoing basis by a team comprised of internal and external climate analysts, including operations personnel. Company's climate analysts. Climate-related risks assessed as critical, along with their proposed management strategies, are communicated to the Risk Management Committee ("RMC"), a management sub-committee responsible for approving specific risk management strategies and for overseeing the implementation of the mitigation plans for these risks. The RMC, which meets at least quarterly, reports the results of the quarterly review to the Management team. The figure below highlights the responsibilities related to climate risks and opportunities across our Company.

Furthermore, climate-related policies, strategies and information are subject to a comparable review structure by the Board and its committees as is financial information. Specifically, the SIA Committee, composed entirely of non-executive Board members, reports its findings and recommendations regarding climate-related risks and opportunities to the Board. In overseeing Group's overall risk management processes, strategy and major transactions, the Board and its committees also consider climate-related risks and opportunities. This includes the assessment of climate-related risks and opportunities associated with potential transactions under evaluation. During the reporting period, a preliminary assessment of climate-related risks and opportunities related to the Rana Gruber acquisition was presented to the SIA Committee, as part of the integration of climate considerations into the Board's transaction oversight process. Where relevant, trade-offs between climate-related risks and opportunities and broader strategic objectives are considered as part of this oversight.

The Company's executive compensation plan incorporates operational performance threshold with 5% of total bonus awards under the Short-Term Incentives ("STI") Program tied to achieving sustainability targets, including climate-related objectives. For the FY2026 period, the climate-related target included identifying and disclosing climate-related physical and transition risks and opportunities, analyzing their financial impact where possible, while optimizing the Company's position in mitigating risks and leveraging opportunities in the green steel supply chain.

Moreover, during the reporting period, one of the Company's sustainable development objectives involved assessing the Scope 3 impact and emission reduction opportunities related to the commercialization of the Company's Direct Reduced Pellet Feed ("DRPF") project, which is expected to produce DR quality iron ore at up to 69% Fe. This completed assessment highlighted the Company's potential to further contribute to the decarbonization in the steelmaking processes through the commercialization of its DRPF products. Building on these findings, Champion has initiated efforts related to this potential Scope 3 emissions reduction opportunity.

3. The Management's Role

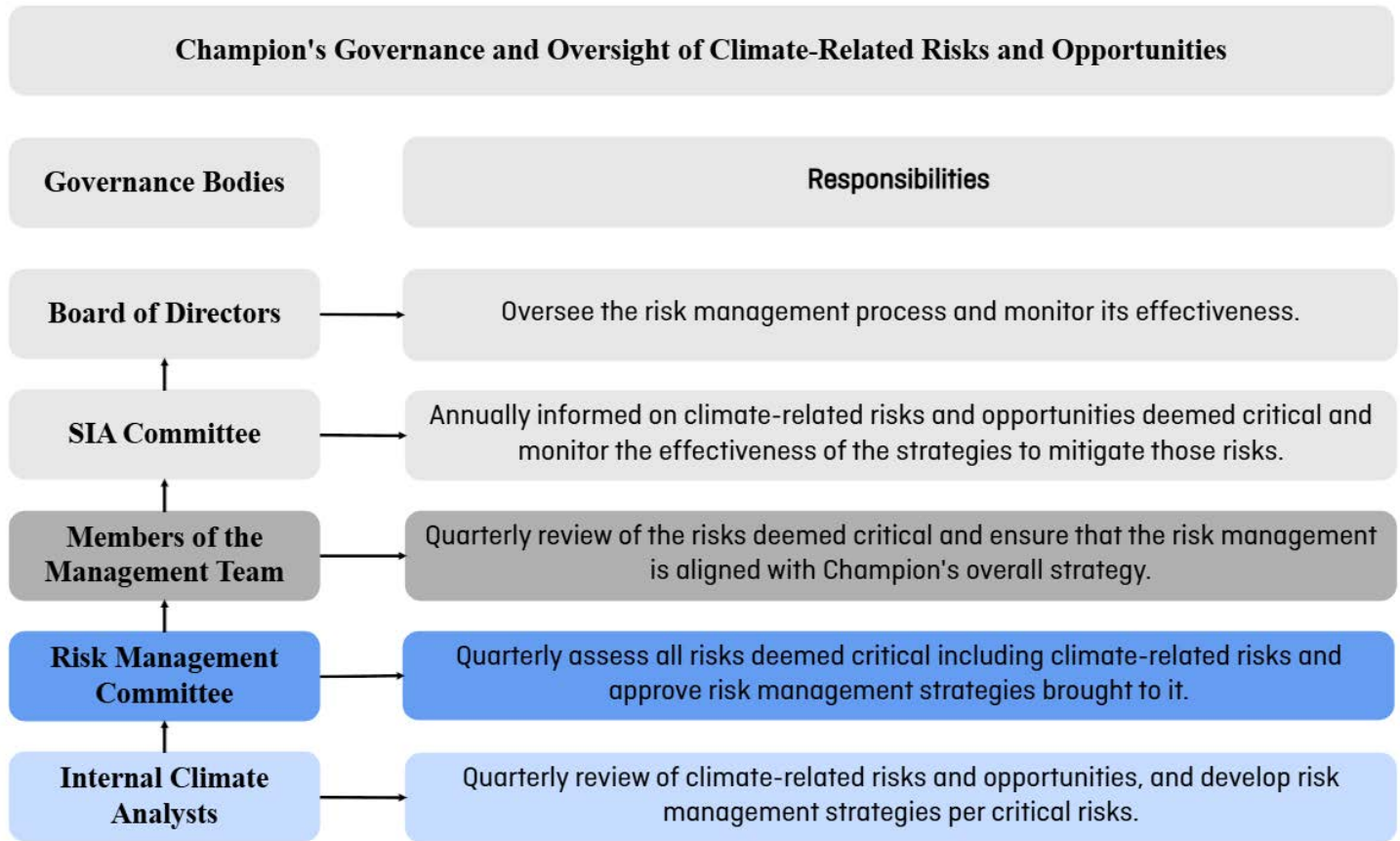
The Chief Operating Officer of the Company (the "COO"), supported by the Company's energy team comprised of internal and external energy management experts, is responsible for overseeing the Company's management, measuring, monitoring and reporting of greenhouse gas ("GHG") emissions, including goal setting and the assessment of climate-related risks and opportunities. In accordance with the SIA Committee's mandate, the COO and other members of the Management team report to the SIA Committee at least annually on climate-related topics, ensuring ongoing accountability for climate change performance. These responsibilities are aligned with and supported by the formal mandates of the Board and its committees, as set out in the SIA Committee's Charter, which includes the review and monitoring of sustainability-related policies, targets and performance, including climate-related risks and opportunities, the designation of accountable executives for material sustainability risks and the reporting of findings to the Board. The findings and action plans arising from this process inform the COO's annual reporting to the SIA Committee, as described above.

Management also uses periodic review, controls and procedures to support the oversight of climate-related risks and opportunities, including quarterly ESG team reviews of key assumptions and methodologies used to quantify such risks and opportunities. These controls are integrated into the Company's broader risk management processes and aligned with the RMC's oversight of risk prioritization, ownership and strategy integration, as described on pages 211-212, under Risk Management.

Management's oversight of climate-related risks and opportunities is further reinforced by the Audit Committee's mandate to oversee management's establishment and implementation of systems for identifying, assessing, monitoring and managing material risks, including climate-related risks and opportunities. The following figure highlights the oversight responsibilities related to climate risks and opportunities at both management and board level.

Climate-Related Governance (continued)

3. The Management's Role (continued)



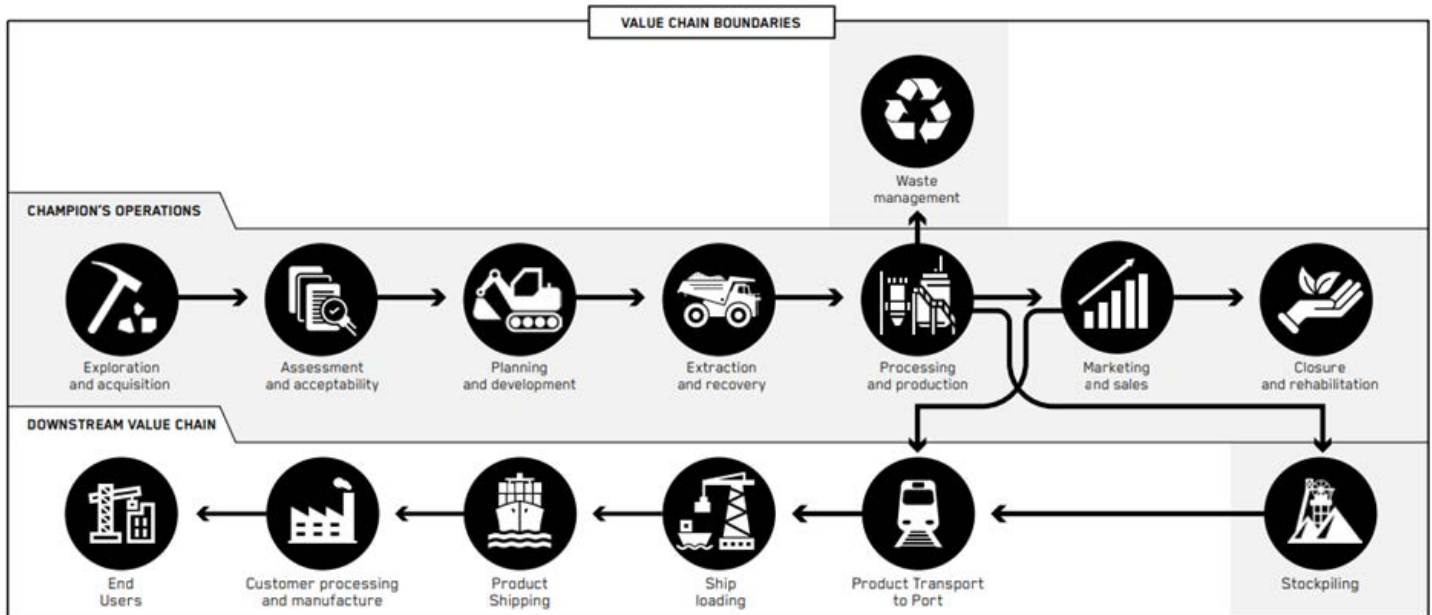
STRATEGY

At Champion, our strategy is shaped by a clear understanding of how climate-related risks and opportunities may affect our business, decision-making and financial planning over time. Building on our risk assessment process, our approach integrates both transition and physical risks and opportunities into long-term planning, capital allocation and operations. The following section outlines the Company's strategic approach, including our response to climate scenarios, key climate-related risks and opportunities identified and the resilience of our business model.

1. Champion's Mission, Vision & Strategy

Champion's business model is designed to supply high-purity iron ore products to support the global steel industry's transition toward less emissive steelmaking methods. The figure below illustrates how Champion's value chain is structured to deliver on this purpose, from early-stage exploration to market.

A Representation of Champion's Value Chain



2. Time Horizon and Climate Scenarios

To assess its climate-related risks and opportunities, Champion applied a multi-scenario approach during the FY2026 period allocation and operational priorities, while aligning with internal planning cycles and external climate benchmarks. Accordingly, the short term horizon (2026–2030) aligns with our 2030 GHG reduction target. The medium term horizon (2030–2041) reflects the current life of mine (“LoM”) of the Bloom Lake mine site, which extends to 2041³. The long term horizon (2041–2050) extends beyond the existing LoM to remain consistent with the Company’s strategic growth objectives. The 2050 endpoint is also aligned with international climate objectives, including the long-term goals of the Paris Agreement and net-zero pathways assessed by the Intergovernmental Panel on Climate Change. The following scenarios are used to assess the Company’s resilience under different climate futures.

- 1.5°C scenario (SSP1-1.9)⁴: Used to quantify the potential effects of both physical and transition risks and opportunities in a world consistent with the objectives of the Paris Agreement, and to assess the Company’s exposure and resilience to physical climate risks under a low-emission pathway.
- >2°C scenario (SSP2-4.5)⁴: Selected to assess transition risks and opportunities, reflecting a temperature trajectory broadly aligned with current global policy and technological trends⁵.
- 3.6°C scenario (SSP3-7.0)^{4,6}: Applied to assess the Company’s exposure and resilience to physical climate risks under a high-emission pathway. This scenario reflects a future with intensified physical impacts, including more frequent and severe extreme weather events, rising temperatures, and heightened vulnerability of assets and operations.

Champion applied a differentiated scenario framework, deliberately selecting distinct scenarios for physical and transition risk assessment. The high-emission SSP3-7.0 scenario was applied to stress-test the resilience of assets, infrastructure, value chain and business model under severe physical conditions, representing a plausible future in which global mitigation efforts remain insufficient. Conversely, the SSP1-1.9 scenario was used to assess physical risks and transition risks and opportunities under a low-emission trajectory where climate would reach a 1.5°C increase, providing a contrasting view of the Company’s exposure across the full range of potential warming outcomes. The SSP2-4.5 scenario was selected as the most policy-relevant reference point for assessing transition risks and opportunities, reflecting the trajectory on which the world is currently tracking based on enacted policies and technological trends. Collectively, all three scenarios were also used to stress-test the overall resilience of Champion’s business model and strategy, ensuring that the Company’s approach remains robust across a spectrum of plausible climate futures.

This differentiated approach allows Champion to evaluate high-impact physical outcomes, alongside the most probable transition dynamics affecting its operations and markets, consistent with the scenario analysis requirements under AASB S2.

Scope of Analysis

The physical risk assessment encompasses the Company’s major operational and logistical footprint across its value chain, including Bloom Lake mine operations, upstream workforce transportation, rail transport to the Port of Sept-Îles, and the potential exposure of port infrastructure to climate-related hazards. Transition risks and opportunities were assessed primarily in relation to Champion’s revenue-generating operations at Bloom Lake. Since Champion’s acquisition of Rana Gruber was completed during FY2027, its impact falls outside the boundary of this analysis. Champion intends to perform and disclose a transition and physical risk assessment in respect of this acquisition in a subsequent reporting period.

Champion acknowledges that its climate risk exposure may evolve as growth projects advance, as regulatory frameworks and market conditions develop and as the state of climate itself evolves. The Company intends to progressively expand its scenario analysis to assess climate-related risks and opportunities within its export markets, with particular attention to carbon pricing mechanisms and policies supporting the decarbonization of steelmaking in those markets.

This forward-looking scenario-based approach provides Champion with actionable insights into the robustness of its strategy and capital investments, forming a cornerstone of its climate resilience assessment.

³ It is noted that significant mineral resources and reserves have been publicly reported at and near Bloom Lake that may support the potential for operations beyond the current LoM, subject to future technical and economic evaluation. However, there is no certainty that such mineral resources will be converted into mineral reserves or that they will be economically mineable. See our latest technical reports: <https://www.championiron.com/investors/technical-reports/>. This reference is provided for informational purposes only and is not intended to satisfy any disclosure requirement under AASB S2.

⁴ IPCC, 2021. Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, p. 13.

⁵ UNEP, 2024, No more hot air ... please! With a massive gap between rhetoric and reality, countries draft new climate commitments, UNEP, p. 30.

⁶ Climate Action Tracker 2025.

⁶ This scenario corresponds to the well exceeding 2°C higher-warming pathway required under the Climate Change Act.

2. Time Horizon and Climate Scenarios (continued)

Assumptions per climate scenarios

As part of its climate resilience assessment, Champion defined a set of key assumptions covering climate-related policies, macroeconomic trends, regional variables, energy use and mix and technological developments. These assumptions support the Company’s evaluation of its resilience over the short, medium and long term under various global warming scenarios. The following tables highlight assumptions with each climate risk category, including both transition & physical risks.

Table 1 - Macroeconomic, Energy and Technology Assumptions for Transition Risks and Opportunities^{7,8,9}

Domain	1.5°C – SSP1-1.9	>2°C – SSP2-4.5
Temperature	<p>Under this scenario, global mean surface temperature is projected to be about 1.4°C above pre-industrial levels at the end of the century with a very likely range of 1.0°C to 1.8°C⁷ with CO₂ emissions declining to net zero between 2050 and 2070.</p> <p>This scenario represents deep mitigation and rapid progress toward net zero CO₂ emissions around mid-century, resulting in only a limited overshoot of the 1.5 °C threshold. The narrow range of projected warming reflects the strong coordination of climate policies and sustained reductions in emissions across sectors.</p>	<p>Under this scenario, temperature is projected to increase to around 2.7 °C above pre-industrial levels by the end of the century, with a very likely range of 2.1 °C to 3.5 °C with CO₂ emissions remaining stable at current levels until the middle of the century.⁷</p> <p>The resulting temperature outcome illustrates substantial warming beyond 2°C, underscoring persistent climate risks without stronger mitigation action.</p>
Policies and Macroeconomy	<p>SSP1-1.9 represents a sustainable development scenario with gradual shifts toward low carbon material growth, strong climate policies and reduced energy intensity.</p> <p>Global population peaks at about 7 billion by 2100, lower than SSP2-4.5, with rapid and efficient urbanization supporting sustainable infrastructure and energy use.</p> <p>Economic growth focuses on well-being. Institutions advance faster toward sustainability goals, and ambitious policies create higher compliance costs but a strong market premium for lower-carbon products such as our DRPF.</p>	<p>SSP2-4.5 represents intermediate and stable economic growth, with moderate climate policies and progressive social and urban development.</p> <p>The global population peaks around 9.4 billion, with urbanization reaching 80% by 2100⁸, suggesting sustained demand for steel.</p> <p>Global and national institutions make slow progress toward sustainable development goals. While the market remains favorable for our DRPF product, premiums are expected to be lower than in the SSP1-1.9 scenario.</p>

⁷ IPCC, 2023. Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, p. 12.

⁸ Riahi et al. (2017), Shared Socioeconomic Pathways (SSPs): energy, land use and emissions implications, Global Environmental Change.

⁹ Wood Mackenzie, Iron Ore Energy Transition Outlook 2025, June 2025.

2. Time Horizon and Climate Scenarios (continued)

Assumptions per climate scenarios (continued)

Table 1 - Macroeconomic, Energy and Technology Assumptions for Transition Risks and Opportunities ^{7,8,9} (continued)

Domain	1.5°C – SSP1-1.9	>2°C – SSP2-4.5
Energy usage and mix	<p>In this scenario, energy demand is expected to peak around 2060 and decline thereafter due to efficiency, behavioral change and sustainable consumption.</p> <p>Abundant access to renewable, low-carbon energy supports competitive industrial energy costs, creating favorable conditions for the structural shift in steelmaking production methods. The transition is expected to accelerate the less emissive Direct Reduction Iron-Electric Arc Furnace (“DRI-EAF”) route, which benefits from low-carbon electricity while reducing dependence on the traditional Blast Furnace-Basic Oxygen Furnace (“BF-BOF”) route, stimulating demand for high-purity iron ore products. In this scenario, global steel and iron ore demand grows at a slower pace, but Champion’s direct reduction quality iron ore could benefit from a significant rise in demand to service DRI-EAF steelmaking.</p>	<p>SSP2-4.5 projects rising global energy demand within a diversified mix still largely dominated by fossil fuels, with gradual progress toward renewables and efficiency gains.</p> <p>Although fossil fuels remain prominent, the BF-BOF route is expected to decline in relative share, while DRI-EAF steelmaking continues to expand as demand for lower-emission steel grows, albeit with lower support than under SSP1-1.9. Accordingly, when compared to the SSP1-1.9 scenario, global iron ore demand continues to be robust, but the demand for Champion’s DR quality iron ore grows at a slower pace.</p>
Technology and demand	<p>SSP1-1.9 assumes a gradual shift toward sustainable technologies, with steady improvements in energy efficiency, electrification and low-carbon energy adoption. Global demand emphasizes sustainable consumption, low material growth and reduced energy intensity.</p> <p>These trends support a structural acceleration of DRI-EAF adoption, with DRI demand projected to potentially increase at up to 350%⁹ by 2050, compared to 2024 levels, implying sustained demand for high-purity iron ore and DRPF product.</p>	<p>SSP2-4.5 is characterized by gradual and balanced technological adoption. Improvements in energy efficiency and the deployment of low-carbon technologies progress steadily over time, but without major disruptive breakthroughs.</p> <p>This evolutionary transition supports the continued gradual expansion of the DRI-EAF steelmaking route, with demand for DRI being projected to potentially increase by approximately 150%⁹ by 2050 compared to 2024 levels. Overall energy intensity declines progressively, driven by efficiency gains and shifts in resource use, developments that are consistent with the increased adoption of the DRI-EAF pathway.</p>

While the assumptions in Table 1 capture the macroeconomic, energy and technological dynamics underlying transition risks, the physical risk assessment requires a distinct set of assumptions based on projected changes to the climate itself. The following table outlines the key physical climate parameters considered under the high-emission SSP3-7.0 and low-emission SSP1-1.9 scenario, which together define the range of physical conditions against which Champion’s operational and logistical resilience was assessed. These assumptions were developed with reference to three key nodes within Champion’s value chain: the Bloom Lake mine site, the rail corridor used to transport its high-purity iron ore products to the Port of Sept-Îles, and the Port of Sept-Îles.

2. Time Horizon and Climate Scenarios (continued)

Assumptions per climate scenarios (continued)

Table 2 - Regional and Physical Assumptions^{10, 11}

Hazard	Measurement unit	Historical data (1991-2020)		2050 - 1.5°C – SSP-1-1.9		2050 - 3.6°C – SSP-3-7.0	
		Fermont	Sept-Îles	Fermont	Sept-Îles	Fermont	Sept-Îles
Extreme cold ¹⁰	Annual number of days with average temperature below -20°C	32 days	3 days	32 days (-)	3 days (-)	21 days (-34%)	0 day (-100%)
Extreme heat ¹⁰	Annual number of days above average 30°C	0 day	0 day	0 day (-)	0 day (-)	0 day (-)	1 day (+100%)
Storm and heavy precipitation disruption ¹⁰	Annual total of snowfall and rain (mm)	1,077	1,256	1,087 (+1%)	1,274 (+1%)	1,139 (+5%)	1,338 (+7%)
Wildfires ¹¹	Annual duration of fire season (days)	144	167	135 (-6%)	147 (-12%)	158 (+10%)	172 (+3%)
Lightning ¹⁰	Annual number of thunderstorm events	The higher the temperature, the more lightning occurs.		Expect to remain stable with current level		Expect to increase due to higher atmospheric instability	

The regional and physical assumptions summarized in the previous table outline projected climate conditions for Bloom Lake and Sept-Îles under both scenarios by 2050. Under the 1.5°C scenario, the climate-related physical risks currently observed are assumed to represent the lower bound of the long-term horizon, with effective global mitigation gradually stabilizing temperatures near current levels. As such, the estimated financial impacts of physical risks under this scenario are expected to remain close to current levels. Under the high-emission SSP3-7.0 pathway, conditions diverge, with notable increases in temperature, wildfire season duration, precipitation volumes, leading to an increase in thunderstorm occurrences, reflecting a future of intensified and more frequent climate-related hazards across Champion's operational and logistical footprint.

3. Materiality Assessment

The climate-related risks and opportunities presented in this report were identified through a comprehensive mapping of impacts and dependencies across the value chain, covering both physical and transition risks and opportunities at both operational and company levels. The assessment considered short, medium and long-term horizons aligned with the Company's strategic planning process and incorporated qualitative and quantitative factors, including the nature, magnitude and likelihood of potential impacts.

In accordance with AASB S2, the assessment was performed from the perspective of the primary users of general-purpose financial reports, being existing and potential investors, lenders and other creditors, whose decisions relate to buying, selling or holding equity and debt instruments, providing or selling loans and other forms of credit and exercising rights to vote on, or otherwise influence, management's actions that affect the use of the Champion's economic resources.

Champion has identified and disclosed climate-related risks and opportunities that could reasonably be expected to affect its prospects. Separately, the Company assesses whether information about these risks and opportunities is material, meaning that omitting, misstating or obscuring such information could reasonably be expected to influence the decisions of primary users of general-purpose financial reports. A formal reassessment of these risks and opportunities, as well as the associated material information, is performed quarterly.

¹⁰ Data from Ouranos.

¹¹ Estimation from forest fires from ClimateData.ca.

4. Climate-Related Risks and Opportunities

Champion assessed how its business model and value chain may evolve under different climate scenarios including a 1.5°C pathway consistent with the Paris Agreement. These analyses inform our understanding of climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term.

Climate-related risks generally fall into two categories:

- **Physical risks:** Risks stemming directly from the physical impacts of a changing climate on people, assets, and ecosystems. Physical risks can be acute, such as extreme weather events including forest fires, storms, floods, or chronic, reflecting gradual and persistent shifts in climate patterns such as rising temperatures, changing precipitation regimes, or reduced water availability. Left unaddressed, such risks could disrupt operations, impair infrastructure, constrain resource availability, and threaten workforce safety.
- **Transition risks:** Risks associated with the structural shift toward a lower-carbon economy, driven by changes in policy and regulation, technological disruption, evolving market dynamics, and shifting stakeholder expectations. These forces can alter the competitive landscape by influencing input and compliance costs, reshape demand for products and services, and impact the valuation of existing assets. Companies that fail to anticipate and adapt to this transition face both financial and reputational consequences.

The Company's strategy focuses on managing risks and opportunities through business model adaptation, targeted mitigation and adaptation measures, and the integration of climate considerations into financial planning. These actions aim to strengthen operational resilience while supporting the transition to a lower-carbon economy. The following section details the climate-related risks and opportunities that could reasonably be expected to affect Champion's financial performance over the short, medium and long term, including their effects and corresponding mitigation measures. Having assessed all climate-related risks and opportunities identified in this report, Champion has determined that energy prices could have significant risk of material adjustment to the carrying amount of assets or liabilities reported in the financial statements expected within the next annual reporting period.

4. Climate-related risks and opportunities (continued)

A. Physical Risks

Physical Risk 1 - Uncontrolled Wildfire	
<p>Nature of risk: Increased frequency and intensity of wildfires in the Fermont region may disrupt mining operations and concentrate transportation, including along the broader rail corridor. A major wildfire could threaten the mine site’s operations, worker accommodations, critical infrastructure including power lines, rail transport across the full rail network and the route from which we supply the mine site, and the health and safety of our workers. In addition, any such event could require partial or full evacuation of personnel. It could also lead to production losses, transportation interruptions, asset damage and additional emergency response.</p>	
<p>Effects on operations: Under a 1.5°C scenario (SSP1-1.9), wildfire season duration is expected to remain stable, allowing more predictable operations and structured mitigation planning. In a >2°C scenario (SSP3-7.0), the season is projected to increase by 13 days in Fermont (+10%) and by 5 days in Sept-Îles (+3%) by 2050, raising the likelihood of operational disruptions, evacuations, infrastructure damage and transportation interruptions. These events could affect iron ore concentrate production and shipment reliability, impacting both site operations and downstream logistics within the value chain.</p>	<p>Effects on business model and value chain: Extraction, recovery, processing, production and product transport to port face inherent risks from increased wildfire activity, though these are not expected to result in significant effects on Champion’s business model, given the structured mitigation measures and operational continuity planning in place.</p>
<p>Adaptation efforts: To mitigate this risk, the Company maintains a year-round Emergency Measures Plan coordinator, supported by a fire prevention coordinator and an on-site response team. The emergency plan includes measures such as relocation of high-value or explosive materials, controlled operational shutdowns and workforce evacuation when required.</p>	
Financial effects	
<p>Current effects: No wildfire-related disruption occurred in FY2026. However, in the summer of 2024 (FY2025), wildfire events resulted in approximately \$10.8 million in estimated financial impacts, comprising a reduction in revenue attributable to non-produced and non-sold iron ore volumes, as well as costs associated with employee evacuation and lost working hours during operational interruptions.</p>	
<p>Anticipated effects: Wildfire risk is acute, and material adjustments to assets due to this risk are too uncertain to be quantified. In the short term (2030), wildfire season duration is expected to remain stable. By 2050, projections range from a decrease of -6% to an increase of +10% of its duration, depending on the climate scenario. While financial impacts are not necessarily proportional to changes in season duration, prolonged wildfire seasons increase the likelihood of operational disruptions and their associated financial consequences.</p> <p>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future frequency, severity and geographic extent of wildfire events, the duration of any operational interruptions, the resilience of critical infrastructure at Bloom Lake and along the rail corridor to the Port of Sept-Îles, and the effectiveness of emergency response and mitigation measures. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.</p> <p>The financial statement line item most reasonably exposed to this risk is revenue, through potential production losses and shipment delays, and property and equipment, through potential asset damage. From a scenario perspective, financial exposure is expected to be greater under a SSP3-7.0, where wildfire season duration is projected to increase by approximately +10% by 2050, compared to SSP1-1.9, where a slight decrease of -6% is anticipated, reducing the likelihood of material disruptions over the long term.</p>	
<p>Scenario 1.5°C (SSP1-1.9): Under a 1.5°C scenario, wildfire season duration is expected to slightly decrease over the long-term [-6%]. When events occur, financial impacts are expected to remain comparable to historical levels, primarily driven by temporary production losses, shipment delays, employee evacuation costs and lost working hours.</p>	<p style="text-align: center;">Time horizon</p> <p style="text-align: center;">Short, medium and long term.</p>
<p>Scenario >2°C (SSP3-7.0): Under a >2°C scenario, wildfire season duration is projected to be longer (approximately +10%), raising the likelihood of disruptive events through 2050. Given the expected increase in frequency of this risk, associated impacts could result in financial consequences exceeding current levels. However, this estimate is subject to significant uncertainty given the acute nature of the risk, which may result in events that are either much more severe or considerably less impactful than historical experience.</p>	

4. Climate-related risks and opportunities (continued)

A. Physical Risks (continued)

Physical Risk 2 - Storm and heavy precipitation	
<p>Nature of risk: Extreme precipitation events can lead to water ingress through building roofs while snowstorms, heavy rainfall and strong winds may disrupt employee transportation via airports or road networks. These hazards can cause infrastructure damage, increased transport costs, difficulties in employee commuting and safety risks.</p>	
<p>Effects on operations: Under a 1.5°C scenario (SSP1-1.9), precipitation and storm patterns are expected to remain stable, resulting in predictable maintenance and transport conditions. In a >2°C scenario (SSP3-7.0), total annual precipitation is projected to increase by 4.78% in Fermont and 5.02% in Sept-Îles by 2050, potentially increasing infrastructure damage and transport delays, including airport disruptions that affect employee commuting. Strong wind hazards are projected to remain stable across both climate scenarios. These events could affect on-site operations, employee transport, and timely arrival to site, though impacts are generally localized and short-lived. Notably, higher liquid precipitation during summer months may partially mitigate wildfire risk by reducing dry conditions that are conducive to ignition and spread.</p>	<p>Effects on business model and value chain: Extraction, recovery, processing and production are not meaningfully impacted, resulting in no anticipated effects on Champion’s business model.</p>
<p>Adaptation efforts: The Company performs regular inspections and repairs during the summer to prevent water ingress, particularly at high-risk buildings. For transport disruptions, employees are rerouted via the nearest operational airport and transported by bus to their usual destination. Where necessary, accommodations are arranged near airports to avoid fatigue-related safety risks. The Company also monitors real-time weather and follows airline recommendations to mitigate disruption.</p>	
Financial effects	
<p>Current effects: In FY2026, weather-related impacts were minor, with approximately \$200,000 in overtime costs due to delayed transport and \$35,000 for accommodations and meals during flight cancellations.</p>	
<p>Anticipated effects: Given the event-driven nature of this risk, material adjustments to assets are too uncertain in the next financial year to be quantified. Over the short term (2030), changes in precipitation and snowstorm patterns are expected to be marginal. Looking further ahead to 2050, climate projections suggest a moderate increase of approximately +1% to +6% depending on the scenario. Although these variations do not translate linearly into financial effects, they contribute to a higher probability of weather-related disruptions affecting the entity's financial position, performance and cash flows.</p>	
<p>Champion is unable to quantify the anticipated financial impact from this risk over the medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future frequency, severity and geographic extent of storm and heavy precipitation events, the duration of any resulting operational interruptions, the resilience of critical infrastructure at Bloom Lake and along the rail corridor to the Port of Sept-Îles, and the effectiveness of emergency response and mitigation measures. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.</p>	
<p>The financial statement line item most reasonably exposed to this risk is cost of goods sold (“COGS”), primarily through labour costs associated with operational disruptions and recovery efforts during and following storm events.</p>	
<p>Scenario 1.5°C (SSP1-1.9): Financial impacts are expected to remain similar to historical levels when events occur, primarily driven by repair costs, temporary transport disruptions, and accommodation expenses.</p>	<p>Time horizon</p>
<p>Scenario >2°C (SSP3-7.0): Under a >2°C scenario, precipitation is projected to increase, potentially increasing the frequency and severity of infrastructure damage and transport delays, including airport disruptions. Average financial impacts per event could rise proportionally, though estimates remain uncertain given the acute nature of the risk, which could result in either more severe or less impactful events than historical experience.</p>	<p>Medium and long term.</p>

4. Climate-related risks and opportunities (continued)

A. Physical Risks (continued)

Physical Risk 3 - Lightning-related power disruption	
<p>Nature of risk: Lightning events may damage electrical equipment on site and trigger power interruptions. While direct physical damage to Company-owned assets has historically been limited, lightning frequently affects the regional power grid operated by Hydro-Québec, resulting in temporary outages that disrupt mining and processing operations. These events can lead to production losses, operational downtime and minor equipment repair costs.</p>	
<p>Effects on operations: Under a 1.5°C scenario (SSP1-1.9), lightning occurrence is expected to remain broadly consistent with historical levels. In a >2°C scenario (SSP3-7.0), rising average temperatures may increase atmospheric instability and storm activity, leading to an estimated 5% increase in lightning occurrences. Although direct equipment damage on site remains limited due to installed surge protection systems, the Company’s reliance on externally supplied electricity exposes operations to indirect disruptions. Lightning-related grid outages may occur multiple times per summer, affecting extraction, processing and production continuity.</p>	<p>Effects on business model and value chain: Extraction and recovery, processing and production are not meaningfully impacted, resulting in no anticipated effects on Champion’s business model.</p>
<p>Adaptation efforts: Surge protection systems are installed at multiple locations across the mine site to protect critical electrical equipment. The Company maintains rapid communication protocols with Hydro-Québec to address power disruptions.</p>	
Financial effects	
<p>Current effects: In FY2026, no significant direct equipment damage from lightning was recorded. Annual repair and prevention costs related to lightning remained below \$100,000. However, indirect impacts through lightning-induced grid-related outages resulted in estimated production losses of approximately \$5 million for the financial year.</p> <p>Anticipated effects: Lightning is an acute physical risk, resulting in inherently variable year-to-year impacts, making material adjustments to assets too uncertain to be quantified for the next financial year. While annual losses have been estimated at approximately \$5 million in FY2026, Champion cannot reliably quantify short-term financial effects for FY2027 due to the unpredictability of storm activity. Under a lower warming scenario (SSP1-1.9), exposure is expected to remain broadly stable, whereas under a higher warming scenario (SSP3-7.0), increased atmospheric instability may lead to a rise in lightning frequency. Although financial impacts are not necessarily proportional to these changes, a higher occurrence of lightning events would increase the likelihood of production losses due to power outages.</p> <p>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, since estimating the effects would require assumptions about the future frequency, severity and geographic extent of lightning events, the duration of any resulting power outages and operational interruptions, the resilience of electrical infrastructure at Bloom Lake, and the effectiveness of surge protection and emergency response measures. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.</p> <p>The financial statement line item most reasonably exposed to this risk is revenue, through potential production losses resulting from lightning-induced power outages.</p>	
<p>Scenario 1.5°C (SSP1-1.9): Under a 1.5°C scenario, lightning occurrence is expected to remain broadly consistent with historical patterns. Accordingly, annual financial impacts would be expected to remain near current average levels, subject to normal year-to-year variability.</p> <p>Scenario >2°C (SSP3-7.0): Under a >2°C scenario, rising average temperatures may increase atmospheric instability and storm activity, leading to an estimated 5% increase in lightning occurrences over 2021–2050. Assuming proportional exposure, the current average annual production loss could increase to approximately \$5.25 million over time. However, given the acute and episodic nature of lightning events, actual financial impacts may deviate materially from modeled averages in any given year, depending on outage clustering, duration and regional grid resilience.</p>	<p style="text-align: center;">Time horizon</p> <p style="text-align: center;">Short, medium and long term.</p>

4. Climate-related risks and opportunities (continued)

A. Physical Risks (continued)

Physical Risk 4 - Extreme cold impacting concentrate transportation and handling	
<p>Nature of risk: Extreme cold events (below -20°C) may affect the transportation and handling of iron ore concentrate by causing freezing in rail wagons, stockpiles and mechanical systems. These conditions can disrupt train cycles, delay vessel loading and temporarily defer sales due to shipment interruptions.</p>	
<p>Effects on operations: Historically (1991–2020), Fermont experienced approximately 32 days where temperature fell below -20°C, while Sept-Îles observed 3 days under -20°C. Under a >2°C scenario (SSP3-7.0), this is projected to decrease to approximately 21 days annually for Fermont and to 0 for Sept-Îles, while remaining broadly stable under a 1.5°C scenario. During prolonged cold periods, iron ore concentrate may freeze in rail wagons or at the Port of Sept-Îles, reducing unloading efficiency, slowing vessel loading and affecting overall rail cycle performance. Air brake systems may also require operational adjustments in sustained cold conditions.</p>	<p>Effects on business model and value chain: Product transport to port and ship loading are not meaningfully impacted, resulting in no anticipated effects on Champion’s business model.</p>
<p>Adaptation efforts: The Company applies strict winter operating protocols to limit freezing risk. Train loading is coordinated with unloading capacity at the Port of Sept-Îles to ensure timely wagon discharge and minimize the risk of concentrate freezing in transit, while limiting the number of loaded trains held onsite to three during winter months. Fresh production is prioritized during extreme cold to reduce freezing potential, moisture content is monitored and reclaim blending ratios are controlled. Mechanical shovels are available at the Port of Sept-Îles to manage frozen concentrate, and wagon insulation repairs are performed as required when deemed necessary. At the port, operational practices and equipment mobilization are used to break frozen material and protect conveyors. Wagon air systems are subject to biannual ultrasonic inspections and enhanced winter maintenance, with modified train configurations implemented when sustained temperatures below -30°C occur.</p>	
Financial effects	
<p>Current effects: The estimated financial exposure associated with extreme cold events impacting concentrate transportation and handling was approximately \$37 million in FY2026, driven predominantly by operational disruptions and deferred revenues, with no anticipated permanent asset impairment. These costs specifically relate to wagon damage, rail track disruptions, demurrage charges and contingency measures implemented with SFP Pointe-Noire to manage frozen concentrate.</p>	
<p>Anticipated effects: Extreme cold is an acute seasonal risk, with financial impacts dependent on the severity and duration of winter conditions, which remain difficult to predict in the short term. While the projected reduction in extreme cold frequency represents a diminishing of the risk impact under higher warming scenarios, this risk is not expected to be fully eliminated within the reporting horizon. Fermont, where train loading operations are conducted, experienced an average of 32 days below -20°C during the 1991-2020 reference period. Under SSP1-1.9, this figure is projected to remain at approximately 32 days by 2050, while under SSP3-7.0, it is projected to decrease to approximately 21 days. In both scenarios, extreme cold conditions continue to pose operational risks to train loading and rail logistics, as even a reduced number of critical cold days can result in significant disruptions when they occur. Over the longer term (2050), extreme cold projections under a 1.5°C scenario (SSP1-1.9) are expected to remain broadly stable, while projected to decrease by up to -34% in Fermont and 100% in Sept-Îles under a higher warming scenario (SSP3-7.0). While financial impacts are not necessarily proportional to these changes, a reduction in the frequency and severity of extreme cold events may significantly lower the likelihood of related disruptions and their associated financial consequences. The mitigation measures currently in place are designed to manage the residual financial exposure associated with extreme cold conditions, particularly under the SSP1-1.9 scenario where projected conditions remain closer to current levels.</p>	
<p>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future frequency, severity and duration of extreme cold events, the extent of operational disruptions to train loading and rail logistics at Fermont and port operations at Sept-Îles, and the effectiveness of cold-weather mitigation measures in place. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.</p>	
<p>The financial statement line item most reasonably exposed to this risk is revenue, through potential production losses and shipment delays resulting from train loading interruptions, and COGS, through incremental operational costs associated with port operations during extreme cold conditions.</p>	
<p>Scenario 1.5°C (SSP1-1.9): Under a 1.5°C scenario, extreme cold frequency is expected to remain broadly consistent with historical levels. Financial exposure would therefore remain comparable to current conditions, subject to normal winter variability.</p>	<p style="text-align: center;">Time horizon</p> <p>Short, medium and long term.</p>
<p>Scenario >2°C (SSP3-7.0): Under a >2°C scenario, extreme cold days are projected to decline significantly in Fermont and Sept-Îles. This reduction would likely decrease the frequency of freezing-related transport disruptions over time, lowering overall financial exposure while not fully eliminating episodic winter impacts.</p>	

4. Climate-related risks and opportunities (continued)

B. Transition Risks

Transition Risk 1 - Energy prices and availability	
<p>Nature of risk: Energy availability and pricing, for both electricity and fossil fuels, represent a transition-related risk to operational performance, growth strategy and decarbonization objectives. Constrained energy supply, grid expansion delays or sustained price increases could increase operating costs, affect the economic viability of expansion projects and influence capital allocation decisions. As energy is a critical input for mining operations and downstream steel production, prolonged cost escalation or reduced availability could affect competitiveness.</p>	
<p>Effects on operations: Energy is a core input for processing and production activities. Higher diesel and electricity prices directly increase operating costs, while energy supply constraints may affect production continuity or project development timelines. Under a 1.5°C scenario (SSP1-1.9), accelerated electrification and tighter climate policies may increase energy prices, particularly for electricity, in the short to medium term (2026–2040), with improved renewable capacity potentially stabilizing supply over the long term (2041–2050). Under a >2°C scenario (SSP2-4.5), weaker policy pressure may moderate short-term price increases. However, fossil fuel price volatility and delayed infrastructure investments could increase medium- to long-term supply</p>	<p>Effects on business model and value chain: Extraction and recovery, processing and production, product transport to port and product shipping, with no anticipated effects on Champion’s business model.</p>
<p>Adaptation efforts: The Company is currently in the process of implementing the ISO 50001 certified energy management system focused on energy efficiency optimization, consumption monitoring and cost control. This program supports continuous improvement in energy performance, reduces exposure to price volatility and contributes to operational energy efficiency measures.</p>	
Financial effects	
<p>Current effects: In FY2026, energy costs amounted to \$96 million. The extent to which these costs have been affected by climate-related transition factors cannot be separately identified. Accordingly, the total energy expenditure is disclosed.</p>	
<p>Anticipated effects: Electricity prices in Québec are regulated by the Régie de l'énergie. Hydro-Québec has filed for average annual tariff increases of approximately 3.6% for 2026–2028, with further increases anticipated over the medium to long term to support grid infrastructure investments. Over the short term, achieving ISO 50001 certification could qualify Champion for preferential Hydro-Québec tariff rates, potentially avoiding a premium surcharge otherwise applicable to non-certified industrial consumers, partially offsetting projected rate increases.</p>	
<p>Fossil fuel costs amounted for nearly 75% of total energy costs in FY2026 and are subject to market-based pricing influenced by global supply conditions and geopolitical factors. In the short future, the ongoing conflict in the Middle East is expected to contribute to upward price pressure, heightening Champion’s exposure to fuel cost volatility. According to the Canada Energy Regulator, a 1.5°C scenario could reduce fossil fuel prices by over 50% by 2030¹², while a >2°C scenario would yield more limited reductions of approximately 6%.</p>	
<p>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future trajectory of electricity tariffs, the evolution of global fossil fuel prices, the pace of energy transition policies across jurisdictions, and the extent to which climate-related factors can be isolated from broader market and geopolitical drivers. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information. The financial statement line item most reasonably exposed to this risk is COGS, through direct energy expenditures across Champion’s mining and processing operations.</p>	
<p>Scenario 1.5°C (SSP1-1.9): Under a 1.5°C scenario, stronger climate policies and accelerated electrification are expected to increase short- to medium-term energy prices, particularly for electricity, as demand shifts toward low-carbon power. However, over the longer term, increased renewable deployment and reduced fossil fuel reliance (with prices projected to decline by more than 50% by 2030 and 66% by 2050)¹² may stabilize supply conditions. Financial exposure would likely be characterized by near-term cost pressure combined with long-term structural energy system transformation.</p>	<p style="text-align: center;">Time horizon</p> <p style="text-align: center;">Short, medium and long term.</p>
<p>Scenario >2°C (SSP2-4.5): Under a >2°C scenario, fossil fuel price reductions are projected to be limited (approximately 6% by 2030 with stabilization to 2050¹¹). While near-term regulatory pressure may be lower, continued reliance on fossil fuels could increase exposure to price volatility and supply disruptions over time. Energy cost risk would therefore remain structurally present, driven more by market volatility than by accelerated policy tightening.¹²</p>	

¹² Canada Energy Regulator, 2023. Scenarios and Assumptions.

4. Climate-related risks and opportunities (continued)

B. Transition Risks (continued)

Transition Risk 2 – Freight Costs	
<p>Nature of risk: Maritime freight costs are exposed to fuel prices, global trade conditions and emerging shipping decarbonization policies. Increasing carbon pricing and fuel regulations in the maritime sector may raise transportation costs and affect margins, particularly for long-distance export markets. Maritime transport is associated with approximately 646,000 tonnes of CO₂e emissions classified within Champion's Scope 3 emissions, and a carbon tax per tonne on carriers could be passed on to customers, exacerbating this cost exposure. At the same time, DRPF commercialization is expected to diversify sales toward relatively closer regions, partially reducing exposure to long-haul freight risk.</p>	
<p>Effects on operations: Freight costs directly influence net realized margins. Under a 1.5°C scenario (SSP1-1.9), progressive maritime decarbonization and carbon pricing are expected to increase shipping costs across all time horizons. Sales diversification toward the Middle East and North Africa ("MENA") and Europe may partially mitigate cost pressure as shorter routes are expected to reduce costs associated with the seafaring of our products. Under a >2°C scenario (SSP2-4.5), short-term cost escalation may be more moderate, but delayed policy action could result in sharper freight cost adjustments in the medium and long-term horizons.</p>	<p>Effects on business model and value chain: Marketing and Sales, Product Shipping, which could support the business model of the Company to develop relationships with steelmakers located closer to our operations.</p>
<p>Adaptation efforts: Champion's diversification of sales markets, driven primarily by the commercialization of the DRPF product is projected to increase exports to the MENA region and Europe, started in FY2026 and expected to increase in the medium term as our DRPF production is ramping up. This geographic rebalancing reduces average shipping distances and enhances resilience to potential cost increases, including measures proposed by the International Maritime Organization ("IMO").</p>	
Financial effects	
<p>Current effects: During the FY2026, freight costs exceeded \$570M. The extent to which these costs have been affected by climate-related transition factors cannot be separately identified. Accordingly, total freight costs are disclosed.</p>	
<p>Anticipated effects: No direct financial impact from the IMO carbon pricing framework is expected for the next reporting period. Beyond this horizon, shipping companies may become subject to carbon pricing mechanisms, which could be passed through to customers in the form of higher freight rates. However, the commercialization of our DRPF product is anticipated to shift a portion of our sales toward closer markets, notably the MENA region. This reduction in shipping distance could partially or fully offset any freight cost increases attributable to carbon pricing, potentially turning this risk into a net cost opportunity when compared to historical iron ore sales and customer exposure.</p> <p>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future trajectory of IMO carbon pricing mechanisms, the extent to which shipping companies pass carbon costs through to customers, the pace of commercialization of the DRPF product and the resulting shift in shipping distances and customer exposure. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.</p> <p>The financial statement line item most reasonably exposed to this risk is COGS, through potential increases in freight rates attributable to carbon pricing mechanisms imposed on maritime carriers.¹³</p>	
<p>Scenario 1.5°C (SSP1-1.9): Under a 1.5°C scenario, maritime carbon pricing mechanism is expected to be fully implemented and potentially strengthened over time. This would structurally increase freight costs in the short to long term. However, diversification toward relatively closer markets such as the MENA region and Europe may reduce average shipping distances and partially mitigate the financial impact.</p>	<p style="text-align: center;">Time horizon</p> <p style="text-align: center;">Medium and long-term.</p>
<p>Scenario >2°C (SSP2-4.5): Under a >2°C scenario, implementation and enforcement may be less stringent in the near term, potentially moderating early cost impacts. However, delayed policy action could lead to sharper tightening after 2035, increasing the risk of abrupt freight cost escalation as carbon pricing mechanisms become more binding.</p>	

¹³ International Maritime Organization (IMO). IMO Approves Net-Zero Regulations. IMO Press Briefings.

4. Climate-related risks and opportunities (continued)

B. Transition Risks (continued)

Transition Risk 3 – Climate policy regulation	
<p>Nature of risk: Evolving climate-related regulations, including carbon pricing mechanisms, greenhouse gas emission limits, carbon border adjustment measures and enhanced disclosure requirements may increase compliance costs and operational complexity. These measures could require additional capital investments, increase administrative burden and affect project economics and development timelines.</p>	
<p>Effects on operations: Climate regulation directly increases operating and compliance costs through carbon pricing, emissions limits and disclosure requirements. These measures may influence capital allocation and project timelines. Under a 1.5°C scenario (SSP1-1.9), regulatory tightening is expected to intensify progressively, increasing compliance costs while reinforcing demand for high-purity iron ore product required in lower-emission steelmaking. Under a >2°C scenario (SSP2-4.5), slower short-term policy tightening may limit immediate cost pressure, but delayed action could result in sharper regulatory adjustments in the medium to long term.</p>	<p>Effects on business model and value chain: Planning and development, extraction and recovery, product transport to port, product shipping and marketing and sales. Effects anticipated on Champion’s business model are related to increased demand and premiums for our products.</p>
<p>Adaptation efforts: Champion monitors regulatory developments across jurisdictions. Its high-purity iron ore is recognized as a critical mineral in Québec, Canada and Newfoundland and Labrador, which may support policy alignment with domestic low-carbon supply chains. While current European carbon border measures do not cover non-agglomerated iron ore concentrate, the Company continues to monitor trade and regulatory developments that could affect international markets.</p>	
Financial effects	
<p>Current effects: In FY2026, approximately \$5.4 million in carbon taxes were incurred through diesel purchases, as carbon pricing is applied upstream by the fuel supplier. This represents a direct operating cost linked to current climate policy mechanism.</p>	
<p>Anticipated effects: Carbon taxes incurred through diesel purchases are expected to increase over time, with our operational costs rising proportionally to the applicable tax level. Financial exposure will depend on both carbon price trajectories and fuel consumption intensity.</p>	
<p>Champion is unable to quantify the anticipated financial impact from this risk over the short, medium and long term. There is significant uncertainty associated with the basis for any financial quantification of the anticipated financial effects, as estimating the effects would require assumptions about the future trajectory of carbon pricing mechanisms, the pace and stringency of climate policy across relevant jurisdictions, and the extent to which fuel consumption intensity can be reduced through operational improvements and decarbonization initiatives. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information.</p>	
<p>The financial statement line item most reasonably exposed to this risk is COGS, through direct carbon tax obligations applied to fuel consumption across Champion’s mining and transportation operations.</p>	
<p>Scenario 1.5°C (SSP1-1.9): Under a 1.5°C scenario, carbon pricing, industrial regulation and climate disclosure requirements are expected to strengthen progressively. Compliance costs would likely increase across short-, medium- and long-term horizons. However, stronger decarbonization policies may reinforce global demand for high-purity iron ore used in lower-emission steel production, supporting long-term market positioning despite higher regulatory costs.</p>	<p style="text-align: center;">Time horizon</p> <p style="text-align: center;">Short, medium and long-term.</p>
<p>Scenario >2°C (SSP2-4.5): Under a >2°C scenario, near-term regulatory pressure may be more moderate. However, delayed policy action could result in accelerated tightening beyond 2035, potentially leading to abrupt cost increases, carbon pricing adjustments and market realignments. Transition risk in this scenario would therefore be characterized by greater policy uncertainty and potential step-change regulatory impacts.</p>	

4. Climate-related risks and opportunities (continued)

C. Transition Opportunity

Transition Opportunity – Structural Shift in the Steel industry’s Production Methods

Nature of opportunity: Decarbonization of the steel industry is expected to drive increased demand for high-purity iron ore products. Champion’s product profile positions the Company to capture growth associated with lower-emission steelmaking pathways, which requires high-purity iron ore products. The DRPF project is designed to further align the Company with this transition by supplying products suited for the DRI-EAF steelmaking route who manufacture steel with significantly less coal, thereby reducing emissions in the steelmaking process.

Effects on operations: Under a 1.5°C scenario (SSP1-1.9), structural demand for high-purity iron ore is expected to strengthen from the medium term (2031–2040) onward as steelmakers adopt lower-emission production routes, resulting in demand for DRPF products and infrastructure investment to accelerate. In a >2°C scenario (SSP2-4.5), growth may be slower initially but could intensify later due to delayed transition efforts and sustained global infrastructure needs through 2050.

Effects on business model and value chain: Assessment and acceptability, market and sales, customer processing and manufacture. Effects anticipated on Champion’s business model are related to increased demand and premiums for our products.

Adaptation efforts: To capitalize on this opportunity, Champion has invested significantly in its Bloom Lake mine site, engaged in targeted market studies and client outreach to commercialize our new DRPF capacity.

Financial effects

Current effects: In FY2026, Champion recorded \$140.1 million in capital expenditures for its DRPF project. Additionally, Champion generated approximately \$15.9 million in revenue from sales of concentrate to DRI-EAF steelmakers during the financial year, reflecting early commercial activity aligned with this opportunity.

Anticipated effects: In FY2027, the commissioning of the DRPF project is expected to result in a significant portion of Bloom Lake’s nameplate capacity being sold as DR-quality iron ore, creating additional revenue potential. The remaining budgeted capital expenditure to complete the DRPF project amounts to \$20.4 million, representing the investment required to fully access this opportunity. Overall, with the DRPF plant substantially completed in FY2026 and commissioning expected during FY2027, up to 50% of Champion’s production capacity is expected to be aligned with this opportunity and subject to premiums associated with direct reduction quality iron ore.

Champion is unable to quantify the anticipated financial impact from this opportunity over the short, medium and long term with sufficient precision, as estimating the effects would require assumptions about the future trajectory of DR-grade premiums, the pace of adoption of DRI-EAF steelmaking processes, and prevailing market conditions. These variables are inherently uncertain and cannot be estimated with sufficient reliability to support meaningful or decision-useful information. In addition, this opportunity spans all time horizons: in the short term, Champion has initiated DR-grade sales during FY2026. Over the medium and long term, premiums associated with DR-quality iron ore are expected to grow as the structural shift toward lower-emission steelmaking accelerates, with more favorable premium dynamics anticipated under a 1.5°C scenario relative to higher-warming scenarios.

The financial statement line item most reasonably exposed to this opportunity is revenue, through potential premium pricing on DR-quality iron ore sales, and capital expenditures, through the ongoing investment required to complete and operationalize the DRPF plant. Premium dynamics are expected to be more favorable under a 1.5°C scenario relative to higher-warming scenarios, with greater upside anticipated over the medium and long term as the structural shift toward lower-emission steelmaking accelerates.

Scenario 1.5°C (SSP1-1.9): By 2050, we anticipate a gradual demand increase at up to 350%⁹ by 2050, compared to 2024 levels, under a 1.5°C scenario for DRI material, which requires high-purity iron ore product such as our DRPF. We expect premiums on high-purity iron-ore to rise significantly beginning in our medium-term horizon, reaching a peak toward the end of our long-term horizon.

Scenario >2°C (SSP2-4.5): By 2050, we anticipate a gradual increase in the DRI demand up to 150%⁸ by 2050, compared to 2024 levels. Under a >2°C scenario, we expect DRPF premiums to increase more moderately, but still favourably compared to actual pricing, starting in our medium-term horizon, reaching a peak toward the end of our long-term horizon.

Time horizon

Short, medium and long-term.

4. Climate-related risks and opportunities (continued)

For FY2026, Champion allocated significant investments, capital and operating expenditures, primarily to optimize energy consumption at the Bloom Lake mine site, including several related studies. This budget does not include internal labor costs. The Energy Management team is specifically responsible for implementing these projects, with a focus on reducing Champion's exposure to physical climate risks while taking advantage of the opportunity to access renewable energy sources.

With respect to transition risks and opportunities, Champion relies on the expertise of its internal specialists to identify, classify, and quantify potential impacts. This work has been supported by external advisors to ensure robustness and alignment with best practices. In the short term, the Company does not anticipate significant increases in budget or headcount to address climate-related risks and opportunities, as current resources are considered adequate to deliver on planned initiatives.

This approach reflects continued progress on plans disclosed in previous reporting periods, demonstrating both financial commitment and organizational capacity to address climate-related risks and opportunities in line with Champion's strategic objectives.

5. Climate Resilience of Our Business Model & Value Chain

Champion's assessment of climate-related risks and opportunities indicates that, from a financial perspective, the Company is expected to derive greater benefits from climate-related opportunities than it is expected to incur losses from associated risks, particularly those linked to the global transition toward lower-carbon steelmaking.

Physical risks that could reasonably be expected to affect the Company's financial performance or cost of capital are anticipated to gradually diminish over time under a warming climate, as the frequency and severity of extreme cold events, which represent the highest-impact physical hazard to Champion's operations, are projected to decline with rising global temperatures. The remaining physical risks identified by the Company, including wildfire, storm and heavy precipitation, and lightning-related power disruption, are projected to be stable or increase modestly under higher warming scenarios. However, if the objectives of the Paris Agreement are achieved and global warming is limited to well below 2.0 °C, the overall financial exposure is expected to remain similar compared to current conditions, or decrease based on the efficiency of the adaptation measures in place.

As for transition risks and opportunities, although they tend to evolve more rapidly than physical risks, Champion is well positioned to benefit from increasing market premiums for high-purity iron ore and DR-quality iron ore. The benefits are expected to be more pronounced under a 1.5°C scenario, which further reinforces the Company's commitment to pursuing its decarbonization journey and investing in the lower-carbon steelmaking value chain.

Across both transition scenarios (SSP1-1.9 and SSP2-4.5), revenues are projected to increase at a rate that exceeds the anticipated costs of transition-related risks, and this positive differential is expected to widen as global efforts move closer to the SSP1-1.9 scenario. Overall, Champion's financial position is expected to strengthen as demand for DR-grade material grows, supporting the production of steel with substantially lower greenhouse gas emissions compared to traditional blast furnace technologies.

These projections are subject to inherent uncertainties tied to external assumptions, including future commodity prices, the pace of adoption of the DRI-EAF steelmaking route, the availability of renewable and lower-carbon energy in key jurisdictions, and the stringency, timing and implementation of climate policy.

The commercialization of DR-grade products will also enhance Champion's resilience by diversifying its customer base and enabling the Company to engage with customers located closer to its operations, which is expected to reduce transportation distances, associated shipping costs and GHG emissions. In parallel, Champion continues to assess opportunities related to its 66.2% Fe concentrate to ensure alignment with evolving market and customer requirements.

Champion's resilience across climate scenarios is supported by both its strategic positioning and financial flexibility. As at March 31, 2026, the Company held \$296.8 million in cash and cash equivalents and \$252.7 million in working capital, providing substantial capacity to absorb climate-related disruptions, fund adaptation measures and sustain operations under both transition and physical risk pathways. Together, these factors underpin the Company's ability to navigate an uncertain climate landscape without compromising its growth trajectory or long-term commitments.

5. Climate Resilience of Our Business Model & Value Chain (continued)

Finally, the current and anticipated effects of our climate-related mitigation investments are reflected in both our operational cost structure and revenue outlook. On the operational side, by investing in the resilience of Bloom Lake's infrastructure under the high-emission SSP3-7.0 physical scenario, the Company has secured the robustness of its facilities against adverse climatic conditions. On the revenue side, the Company's investment of approximately \$500 million in the DRPF project is expected to directly enhance climate resilience by enabling Champion to capture higher expected premiums for DR-grade material under the 1.5°C pathway, which are anticipated to enhance profitability in both the short and long term.

Champion is therefore well positioned to withstand foreseeable climate-related hazards in its operating regions and to capitalize on the growing market for high-purity, strengthening the overall resilience and long-term competitiveness of its business model. As the Company pursues its growth strategy, it expects to reassess its exposure to climate-related risks and opportunities to ensure its analysis remains aligned with the evolution of its operational footprint and business model.

RISK MANAGEMENT

Champion has established structured and integrated processes to identify, assess, prioritize, and monitor climate-related risks and opportunities, in alignment with the Company's enterprise risk management framework. Champion maintains a comprehensive enterprise risk register supported by several sub-registers, each managed by relevant department heads or designated risk owners, who are responsible for escalating critical risks to the RMC. The RMC, whose governance role is described in the Governance section on page 193 of this report, consolidates and evaluates all critical risks across the organization. Climate-related risks are prioritized using the same enterprise-wide methodology and criteria applied to all other categories of risk, including risk velocity, probability of occurrence, and estimated impact on both operational efficiency and financial performance. Critically, this process is directly and continuously informed by Champion's climate scenario analysis: climate-related risks and opportunities identified under the SSP1-1.9, SSP2-4.5, and SSP3-7.0 scenarios, disclosed in detail in the Strategy section on pages 195 to 210 of this report, serve as primary inputs into the enterprise risk register. This establishes a clear and traceable link between scenario-derived findings and the Company's risk management decisions.

When compared with the previous reporting period, Champion enhanced its processes by formally integrating the assessment of transition risks into its climate-related risk management framework.

Climate-related risks and opportunities monitoring

Champion monitors climate-related risks and opportunities through a structured process that combines regular reviews, integration into enterprise risk management, and governance oversight, as described below. The governance oversight that applies across all monitoring activities is consistent with the roles and responsibilities described in the Governance section on pages 192 to 194 of this report. Climate-related risks and opportunities deemed critical are communicated to the RMC, which approves corresponding risk management strategies and oversees the implementation of mitigation plans. The RMC informs the Management team, which is responsible for ensuring that the management of those risks is aligned with Champion's overall strategy. Where a climate-related risk or opportunity is assessed as reasonably likely to affect the Company's financial performance, it is escalated to the SIA Committee for information or decision-making.

As part of its ongoing risk monitoring, transition-related risks are reviewed on a quarterly basis by an internal team of analysts, structured around the risk taxonomy established through the SSP1-1.9 and SSP2-4.5 scenario analysis, with a focus on risks and opportunities that could reasonably be expected to affect the Company's cash flows, access to finance, or cost of capital over the short, medium and long term.

During the first half of FY2026, the team dedicated its efforts to developing and formalizing the transition risk assessment methodology, including the definition of the risk taxonomy, scenario selection, and materiality criteria. The quarterly review process was subsequently initiated in January 2026, with the first review covering the Q3 financial period. Going forward, quarterly reviews are expected to occur consistently throughout the financial year.

In addition, physical risks were comprehensively assessed during FY2025 and reviewed in FY2026 using the site-specific hazard projections developed under the SSP1-1.9 and SSP3-7.0 scenarios, covering Bloom Lake, the rail corridor, and the Port of Sept-Îles. Adaptation and mitigation efforts were developed at that time and are monitored on an ongoing basis, particularly in light of weather forecasts, to ensure their continued effectiveness. A formal annual review is also conducted to reassess their management, adequacy, forecast and current financial effect as reported on pages 201 to 208 in the previous Strategy section of this report.

Each year, the climate analysts team quantifies the potential financial impacts of both transition and physical risks, using methodological assumptions consistent with those disclosed on pages 197 to 199 in the Strategy section of this report. Findings are escalated through the governance pathway described above.

Champion identifies and monitors climate-related opportunities through regular reviews of market, policy, technological, energy, and reputational trends. The climatic effects of physical hazards are also modeled to assess their operational impacts, which in certain cases may reduce operating costs and therefore constitute opportunities.

Risk Management (continued)

Inputs, parameters and data used

Champion relies on a range of inputs and parameters to assess climate-related risks and opportunities, tailored to the type of risk under review. Transition risk analyses incorporate assumptions on commodity prices, energy and technology trends in the steel and mining industries, and policy developments at local, national, and international levels. Physical risk assessments use inputs including the manifestation of physical hazards and their estimated costs, either through damage to infrastructure or lost production capacity. Various recognized scientific sources inform the assumptions and estimated impacts under each climate scenario. These parameters ensure that both risk categories are evaluated using relevant, evidence-based information aligned with the operational realities of Champion's business model and value chain.

Climate-related Risks and opportunities assessment

Champion evaluates climate-related risks using a combination of qualitative and quantitative criteria. Transition risks are assessed through monitoring of market, policy, technological, legal, and reputational trends, while physical risks are evaluated based on site-specific climate variables such as extreme temperatures, precipitation, and potential disruptions to rail transportation and port operations.

To assess the magnitude of each transition risk and opportunity, the Company applies an internal methodology that evaluates probability and impact level. A higher probability score indicates that materialization of the risk is imminent, while the lowest score is assigned when no reasonable indication suggests the emergence of a given risk. The impact level reflects the estimated financial consequence should the risk materialize, with a score of 5 deemed material and a score of one deemed marginal. The combination of these variables determines the overall magnitude of the risk or opportunity. This type of risk matrix is used at Champion to assess health and safety and environmental risks and is also widely used in the mining industry.

For physical risks, magnitude is determined by multiplying consequence and likelihood, each rated on a five-point scale consistent with the approach applied to transition risks. This process allows the Company to determine the overall criticality of each physical risk. For FY2026, none of those risks were deemed critical. This conclusion is supported by a physical risk assessment originally conducted in 2019 by an independent third-party consultant, which evaluated the nature, likelihood and magnitude of climate-related physical risks across Champion's operational footprint at that time. As referenced above, the assessment was reviewed and updated in FY2025, incorporating revised climate projections across all scenarios, including high-emission pathways. The updated assessment concluded that changes in climatic conditions since 2019 were not of sufficient magnitude to alter the original findings. Accordingly, Champion's operations are assessed to be resilient to physical climate risks across the relevant time horizons, including under higher-warming scenarios, with residual risks managed through the adaptation efforts and mitigation measures described in this report.

As part of our commitment to sustainable business practices, we have conducted a comprehensive assessment of our exposure to climate-related risks and opportunities. We assessed all major business assets and activities under our climate risk framework, covering both transition and physical risks, as well as alignment with climate-related opportunities. Based on current assessments, the Company does not expect to deploy significant additional capital expenditure, financing or investment to mitigate identified climate-related physical risks. With respect to transition risks, the costs associated with the identified risks, including those related to policy, legal, technology, market, and reputational factors, are anticipated to be absorbed within the Company's existing operational cost structure and are not expected to require material incremental capital deployment. Across both transition scenarios assessed, SSP1-1.9 and SSP2-4.5, projected revenue growth driven by increasing demand and pricing premiums for high-purity and DR-quality iron ore is expected to exceed the financial impact of transition-related risks, resulting in an expected net positive outcome for the Company over the short, medium, and long term. Climate-related opportunities are expected to be revenue-accretive, primarily through anticipated pricing premiums associated with the commercialization of DR material, without requiring expected material incremental capital deployment. The table below highlights the scale of climate-related risks and opportunities related to Champion's assets and revenues.

To assess the vulnerability of financial statement elements to climate-related risks and their alignment with climate-related opportunities, as disclosed in the Metrics & Targets section on pages 214 to 217 of this report, the Company first identifies the relevant assets or business activities exposed to each category. It then quantifies both the absolute amount and the corresponding percentage relative to the total value of the associated financial statement line item or activity. This approach provides a consistent basis for evaluating the relative significance of climate-related risks and opportunities and enhances the transparency and comparability of the disclosed metrics. The risks and opportunities presented in this report are those currently assessed as having the potential to affect the Company's prospects. However, the Company maintains a dynamic review process, conducted on a quarterly basis, that also considers risks and opportunities not presently deemed material but that may become so over time as conditions evolve or additional information becomes available.

Risk Management (continued)

Climate-related Risks and opportunities assessment (continued)

Table 3 - Scale of Exposure to Climate-Related Risks & Opportunities (CAD millions)

Risk Domain	Risk/Opportunity	Impact on Financial Statements	Total (Financial Statements item) <small>(In millions of dollars)</small>	Risk/Opportunity Financial Impact - FY2026	Risk/Opportunity Anticipated Financial impact
PR1	Uncontrolled wildfire	Revenue	\$1,770	0\$ (0%) – No occurrence in FY2026	Uncertain
PR2	Storm and heavy precipitation	COGS (Salaries)	\$167	\$0.2 million (<1%) cost	
PR3	Lightning-related power disruption	Revenue	\$1,770	\$5.0 million (<1%) deferred revenues	
PR4	Extreme cold impacting concentrate transportation and handling	Revenue	\$1,770	\$37.0 million (2%) operational disruptions and deferred revenues	
TR1	Energy prices and availability	COGS (Energy expenses)	\$96	0\$ (0%) - No Impact	Uncertain - Could be up to \$48.0 million (50%) energy cost savings
TR2	Freight costs	COGS (Freight costs)	\$573	0\$ (0%) - No Impact	Uncertain - Could be at up to \$77.0 million to \$292.6 million (13% to 51%) based on IMO's report.
TR3	Climate policy regulation	COGS (Petroleum based fuel)	\$71	\$5.4 million (8%) fuel related carbon tax	Uncertain
TO1	Structural Shift in the Steel industry's Production Methods	Revenue	\$1,770	\$15.9 million (1%) of added revenues in the financial year	Uncertain

P = Physical, T = Transition, R = Risks, O = Opportunities

Building on our comprehensive assessment of climate-related risks and opportunities, the Company also incorporates carbon pricing into its decision-making processes. Under Québec's Cap-and-Trade System ("SPEDE"), the Company's facilities are subject to emissions caps, primarily linked to stationary fuel oil consumption, while for mobile assets, such as haul trucks, diesel suppliers include the cost of emissions allowances directly in invoices. In assessing projects, we incorporate both the price of carbon taxes and the cost of energy to evaluate potential savings or additional costs, ensuring that carbon pricing informs our investment and operational decisions. The carbon price applied in these analyses was set at CAD \$100 per metric tonne of greenhouse gas emissions, which would represent about twice the current SPEDE market price at approximately CAD \$55 per metric tonne of GHG emissions at the last market opening.

METRICS & TARGETS

Champion uses climate-related metrics and targets to monitor, manage and disclose the financial impacts, risks and opportunities associated with climate change. As part of this approach, the Company measures and reports its absolute gross greenhouse gas emissions across direct (Scope 1), indirect (Scope 2) and, on a voluntary basis other indirect emissions (Scope 3)¹⁴. Champion has mapped its value chain and established a consistent emissions quantification methodology guided by the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)¹⁵, supported by a reputable third-party consultant. Scope 3 emissions are disclosed with reference to the categories defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and are not intended to represent full compliance with the requirements of the AASB S2 measurement framework. As this is Champion's first report prepared according to the AASB S2 standard, the metrics and targets disclosed reflect current data availability, administrative constraints, and measurement capabilities. All relevant Scope 3 categories have been assessed and those not disclosed were deemed not material or not applicable based on this assessment. Certain Scope 3 emission categories, while identified, could not be quantified for the current reporting period due to data accessibility limitations.

Table 4 - Champion GHG emissions for the Financial Year 2026¹⁶

	FY2025	FY2026
Scope 1 (t CO₂e)	123,928	136,325
Scope 2 (t CO₂e)¹⁶	976	1,066
Scope 3 (t CO₂e)	18,692,562	20,711,345

Measurement Approach, Inputs and Assumptions

Scope 1 and Scope 2 greenhouse gas emissions are calculated using activity data, including consumption of diesel, gasoline, light fuel oil, explosives and hydroelectricity. Scope 1 data are internally reconciled and multiplied by emission factors published by Québec's Ministry of the Environment in February 2025¹⁷. Champion measures its Scopes 1 and 2 greenhouse gas emissions in accordance with the GHG Protocol. This measurement approach and the related inputs and assumptions were selected to ensure consistency with regulatory requirements and alignment with the GHG Protocol.

Additionally, Champion consolidates its GHG emissions using the operational control approach, in accordance with the GHG Protocol. This approach was selected as it best reflects the Company's organizational structure, whereby Champion and its wholly owned subsidiary Q10 exercise full operational control over the Bloom Lake Mining Complex, the only operation currently in production. Under this approach, the Company accounts for 100% of its Scopes 1 and 2 emissions from operations over which it has operational control and excludes emissions from operations where it does not have such control. As at the end of the reporting period, Champion had no joint ventures, associates, or other investees requiring disaggregation of Scopes 1 and Scope 2 emissions.

All direct (Scope 1) and indirect (Scope 2) emissions from Bloom Lake are therefore fully consolidated into Champion's GHG inventory. There were no changes to the measurement approach, inputs or assumptions used to measure greenhouse gas emissions during the reporting period compared with those applied in the restated FY2025 comparative figures. Champion's Scope 2 emissions are reported on a location-based basis using the provincial emission factor, which reflects Québec's predominantly hydroelectric energy mix as published by the Government of Canada¹⁸. Champion does not use any contractual instruments such as renewable energy certificates, power purchase agreements, or guarantees of origin. Accordingly, no market-based Scope 2 figure has been prepared, as the location-based method is considered the most representative measure of the Company's actual electricity-related emissions. Champion's Scope 2 disclosures therefore reflect 100% of the electricity consumed at its current operating site.

¹⁴ This voluntary information is not required to be included by the Corporations Act 2001 or AASB S2 and is not subject to the same assurance and liability regime as the rest of this report.

¹⁵ For more information on the Greenhouse Gas Protocol, please visit their website.

¹⁶ Comparative FY2025 GHG emissions data have been revised from those reported in the prior year's report due to the use of more recent and reliable emission factors. Last year, we reported a total of 18,287,918 t CO₂e. During the year, we reviewed the emission factor used to assess the category 10 of our Scope 3, and rerun the calculations, leading to an increase of 404,643 tCO₂e.

¹⁷ For further information on emission factors and quantification methodologies, refer to the Greenhouse Gas Emissions Quantification Guide (MELCCFP, February 2025)

¹⁸ Although no contractual instruments are used and a formal market-based Scope 2 figure has not been prepared, Champion's operations at Bloom Lake are supplied through a dedicated Hydro-Québec connection sourced from hydroelectric generation. In this context, the location-based provincial emission factor is considered a reliable indicator of the market-based intensity, as the electricity supplied to the facility is sourced from a grid that is overwhelmingly hydroelectric in nature. The difference between a location-based and market-based Scope 2 intensity is therefore expected to be negligible. Environment and Climate Change Canada. National Inventory Report 1990-2023: Greenhouse Gas Sources and Sinks in Canada. Government of Canada, 2025.

Metrics & Targets (continued)

Measurement Approach, Inputs and Assumptions (continued)

As noted above, the following Scope 3 disclosures described in Table 5 are voluntary and do not represent full AASB S2 compliance. Following a comprehensive assessment of its value chain, the Company has identified and disclosed those Scope 3 categories relevant to its operations, including purchased goods and services, capital goods, fuel and energy-related activities, upstream and downstream transportation and distribution, business travel, employee commuting, and processing of sold products. All 15 Scope 3 categories have been considered and categories not disclosed were deemed not material or not applicable based on this assessment. The table below highlights each applicable category, a brief description of the category and the methodological approach used to assess the related emissions, including spend-based, distance-based, fuel-based and average-data approaches¹⁹.

Table 5 - Scope 3 category, description and approach

Scope 3 categories	Description	Approach	FY2026 emissions (t CO ₂ e)
Cat 1. Purchased goods and services	All upstream (cradle-to-gate) ²⁰ emissions from the production of products purchased	Spend-based	192,700
Cat 2. Capital goods	All upstream (cradle-to-gate) emissions from the production of capital goods purchased.	Spend-based	34,838
Cat 3. Fuel and energy-related activities	Emissions related to the extraction, production, and transportation of energy purchased.	Average data	28,381
Cat 4. Upstream transportation and distribution	Transportation and distribution of products and goods purchased, between suppliers and our Company, (excluding fuel and energy products). Third-party transportation and distribution services of our iron ore, either by train or boat.	Inbound transportation: Spend-based Rail: Fuel-based Cargo ship: Distance-based	704,910
Cat 6. Business travel	All emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.	Spend-based	903
Cat 7. Employee commuting	All emissions from the transportation of employees between their homes and their worksites.	Bus, Commercial flights: Spend-based FIFO: Distance-based	6,318
Cat 9. Downstream transportation	All emissions that occur from transportation and distribution of sold products which are operated directly by steelmakers and not by a third-party transporter as in category 4.	Distance-based	113,936
Cat 10. Processing of sold product	All Emissions from processing of sold iron ore products by third parties	Average-data	19,629,359

For each applicable category, data availability is evaluated and appropriate emission factors are selected to reflect the specific emission intensity of the underlying items. Consequently, multiple emission factors are applied, ensuring accurate representation of emission sources across the Company's value chain. Scope 3 emissions are estimated using a combination of primary and secondary data, depending on availability and a portion of these data may be based on unverified inputs. Except for updating the emission factors to reflect the most up-to-date energy data and the emissions from steel mills and processing methods in the regions where we sell our iron ore, we have not changed our measurement approach, inputs, or assumptions.

To reinforce the integration of sustainability into corporate governance, climate-related considerations are incorporated into the Management's remuneration, including progress on climate strategy and GHG reduction initiatives. The Remuneration, People and Governance Committee oversees these climate-related metrics and makes recommendations to the Board. Additional details are disclosed in the Company's Remuneration Report.

¹⁹ The following Scope 3 categories were assessed and determined to be either not applicable or not reportable for the current period: Category 5 (waste generated in operations) is identified as a relevant category; however, it was deemed not material. Category 8 (upstream leased assets) is not applicable as Champion does not hold any upstream leased assets. Categories 11 (use of sold products) and 12 (end-of-life treatment of sold products) are not applicable as Champion supplies iron ore concentrate to steelmakers and does not have visibility over the downstream use or end-of-life treatment of the steel produced from its products. Category 13 (downstream leased assets) is not applicable as Champion does not hold any downstream leased assets. Category 14 (franchises) is not applicable as Champion does not operate under a franchise model. Champion does not engage in asset management, commercial banking or insurance activities; accordingly, Category 15 greenhouse gas emissions (investments or financed emissions) are not applicable.

²⁰ "Cradle-to-gate" is a standard GHG Protocol term that describes the portion of a product's lifecycle from raw material extraction ("cradle") through to the point it leaves the facility ("gate"), excluding downstream transportation and processing.

Metrics & Targets (continued)

Measurement Approach, Inputs and Assumptions (continued)

Specifically, climate change targets linked to executive performance for the FY2026 period include identifying and disclosing physical and transition climate-related risks and opportunities, analyzing their financial impact where possible, while optimizing the Company's position in mitigating risks and leveraging opportunities in the green steel supply chain.

A portion of executive compensation is linked to climate-related performance metrics through the STI Program. Specifically one sixth of the STIP representing 5% of the total bonus opportunity is tied to climate metrics. Based on the bonus range of 80% to 125% of base salary depending on the executive, this corresponds to approximately 0.7% to 0.9% of total compensation being directly linked to climate-related performance.

Targets

Champion acquired the Bloom Lake Mine assets in 2016 and recommissioned operations in 2018. The Company uses 2014, the final year of operations under the previous owner, as the baseline year for assessing progress toward its GHG emissions reduction target. In that year, the Bloom Lake Mine reported an emissions intensity of 13.86 kg CO₂e per tonne of iron ore concentrate produced.

The Company applies a target assessment approach that incorporates an adjustment factor to the carbon intensity of mobile emissions based on average haul cycle time and strip ratio. Using this approach, the Company is committed to reducing GHG emissions intensity by 40% by 2030 from the 2014 baseline, adjusted for 66.2% Fe concentrate production and average haul cycle time and strip ratio, for the Bloom Lake mine site. The Company also remains committed to achieving carbon neutrality by 2050.

Furthermore, Champion remains committed to its long-term target to achieve carbon neutrality by 2050 for its Bloom Lake mine site. This reduction target aligns with the Government of Canada's 2030 climate objectives, which are consistent with the Paris Agreement goal of limiting global temperature increase to well below 2°C pre-industrial levels and pursue efforts to limit it to 1.5°C.

The objective of these targets is to reduce Champion's operational impact on climate change. Champion's GHG reduction targets apply exclusively to its operations at the Bloom Lake Mine.

At this stage, Champion has not established interim targets ahead of its 2030 and 2050 objectives. The following table summarizes the key characteristics of the Company's two climate targets.

Table 6 - Summary of Champion's GHG reduction targets^{21,22,23}

Topics	Target 1	Target 2
Scopes 1 and 2 intensity target	8.32 kg of CO ₂ e adjusted per tonne of 66.2% Fe tonne produced and mean haul cycle time and strip ratio, for the Bloom Lake mine site.	Carbon neutrality
Time horizon	Medium term, by 2031 ²¹	Long term, by 2051
Objective	Mitigate	Mitigate
Scope	Bloom Lake mine site	Bloom Lake mine site
Period	May 2022 to March 2031	May 2022 to March 2051
Base period	2014 intensity: 13.86 kg of CO ₂ e adjusted per tonne of 66.2% Fe tonne produced, mean haul cycle time and strip ratio, for the Bloom Lake mine site.	Not applicable
Target's nature	Intensity	Absolute
Alignment²²	Align with Canada's NDC	Not aligned with Canada's NDC ²³

²¹ Champion's 2030 target refers to the financial year ending March 31, 2031, consistent with the Company's financial year reporting period.

²² Canada is committed and determined to achieve net-zero emissions by 2050 and contribute to global efforts to limit global temperature increase to well below 2° C above pre-industrial levels and pursue efforts to limit it to 1.5° C. To that effect, the Government of Canada's 2035 NDC is to reduce emissions by 45-50% below 2005 levels by 2035, building on the 2030 target of 40-45% below 2005 levels. CANADA'S 2035 NATIONALLY DETERMINED CONTRIBUTION.

²³ Champion's 2050 reduction target is to reach carbon neutrality, while Canada has a net zero target for 2050.

Metrics & Targets (continued)

Targets (continued)

Champion's emissions profile is dominated by Scope 3 emissions, which at 20,711,345 t CO₂e represented more than 99% of the Company's total greenhouse gas footprint in FY2026, compared to approximately 137,391 t CO₂e for combined Scopes 1 and 2 emissions. This profile reflects the carbon intensity of the downstream steelmaking processes in which Champion's products are consumed and defines where the Company's most meaningful contribution to decarbonization lies.

The Company's investment of approximately \$500 million in the DRPF project, now substantially completed, will allow the production of direct reduction quality iron ore at up to 69% Fe, which will position Champion to supply customers operating DRI-EAF steelmaking facilities, a production route with lower greenhouse gas emissions than conventional blast furnace methods. The commercialization of DRPF products is also expected to expand Champion's customer base to include steelmakers located closer to its operations, reducing freight distances and the associated emissions from transportation.

As we continue to optimize operations, we further evaluate initiatives and alternatives towards meeting our 2030 GHG reduction target. To support these goals, we identified two specific project categories: energy efficiency initiatives at the mine and at the plant and electrification processes. We continue to assess opportunities to develop and implement projects aimed at reducing emissions across our operations. These initiatives are designed to help us progressively reduce our emissions and position the Company to achieve carbon neutrality by 2050.

Champion's GHG reduction targets were not reviewed by a third party. However, the targets were approved by the Board of Directors in 2022 at the time when the targets were established. To monitor its progress, Champion regularly evaluates its GHG emission scenarios depending on the implementation of additional energy efficiency or electrification measures, which are expected to contribute to reaching its targets.

This helps the team estimating and projecting our GHG emissions for the FY2031, which is in line with our target 1 as highlighted in the previous table. Each year, the Company assesses its trajectory towards the targets and evaluates the needs to adjust its financial support towards initiatives that could contribute to meeting GHG reduction targets.

Champion estimates that it has achieved approximately a 16% reduction in GHG emissions intensity through investments aimed at improving energy efficiency and electrifying its operations with an intensity of 11.64 kg of CO₂e for the FY2026 period. The Company's energy team has identified multiple projects that could contribute to meeting the 2030 reduction target, and opportunities to further reduce our GHG footprint are continuously being evaluated. Beyond their contribution to GHG reduction, these energy efficiency and electrification initiatives directly address the transition risk associated with energy price volatility and availability, as identified in the Company's climate risk assessment.

By reducing overall energy consumption and progressively substituting fossil fuel-based energy sources with lower-carbon alternatives, Champion is actively working to reduce its exposure to fluctuations in energy costs and potential supply constraints, thereby strengthening the resilience of its cost structure under future climate scenarios. As these projects are expected to require additional capital investment, Champion is carefully assessing each opportunity to ensure that its decarbonization initiatives remain aligned with long-term value creation for both stakeholders and shareholders.

Champion's GHG targets cover the consumption of diesel, gas, light fuel oil, explosives and hydroelectricity. To assess their GHG emissions, the Company uses the Guide de quantification des émissions de gaz à effet de serre, published by the Government of Québec in 2025²⁴. Additionally, our GHG targets cover our gross Scopes 1 and 2 emissions and were not derived using a sectoral decarbonization approach but are rather aligned with Canada's NDC for 2030. Finally, the Company has not determined whether or not it'll use carbon credits to meet its GHG reduction targets and is not opposed to using them if necessary to achieve our targets. In the event that carbon credits need to be used, the Company will consider the usage of high-quality carbon credits, ideally based on natural measures and for a limited percentage of its reduction target.

²⁴ Although the S2 standard specifically asks which GHGs are covered by the target, Champion has not defined its target based on different GHGs, but rather in relation to total emission. Hence, our target is considered in CO₂ equivalent.

DIRECTORS' DECLARATION

In the opinion of the directors of Champion Iron Limited, (the Company), the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the Company and its subsidiaries (collectively the Group) for the year ended on March 31, 2026, as presented on pages 188 to 217, are in accordance with the Corporations Act 2001, including:

- (i) Complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and
- (ii) Containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

Made in accordance with a resolution of the directors of Champion Iron Limited pursuant to section 296A(6) of the Corporations Act 2001, as modified by section 1707C(2) of the Corporations Act 2001.

/s/ Michael O'Keeffe
On behalf of the board
Michael O'Keeffe
Executive Chairman of the Board

Dated on May 28, 2026



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel : +61 2 9248 5555
Fax : +61 2 9248 5959
ey.com/au

Independent auditor's review report to the members of Champion Iron Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of Champion Iron Limited (the Company) and its subsidiaries (collectively the Group) for the year ended March 31, 2026 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Pages 192 to 194: Climate-related Governance
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Pages 201 to 208: Climate-related risks and opportunities, specifically <i>Nature of Risk</i> and <i>Nature of Opportunity</i> paragraphs and risk type
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Page 214: For FY2026, Scope 1 (t CO2e) and Scope 2 (t CO2e) in Table 4 and paragraphs 1 to 3 in section Measurement Approach, Inputs and Assumptions

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less



in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

Comparative information was not subject to an assurance engagement in the prior period. In connection with our review on the selective sustainability information, our responsibility is to determine whether the comparative information is appropriately presented, by evaluating its consistency with the disclosures presented in the prior period and the consistency of the criteria with the criteria applied in the current period. Our conclusion is not modified in respect of this matter.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

Inherent limitations

As discussed on page 2 of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Champion Iron Limited's assessment of climate-related risks and opportunities
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

A handwritten signature in black ink, appearing to read 'Siobhan Hughes'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Siobhan Hughes'.

Siobhan Hughes
Partner
Sydney
May 28, 2026