Management's Discussion and Analysis

For the Three-Month Period Ended June 30, 2026

CHAMPION IRON

ASX: CIA — TSX: CIA

As at July 30, 2026

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Introduction

This Management's Discussion and Analysis ("MD&A") of Champion Iron Limited ("Champion" or the "Company") has been prepared as of July 30, 2026, and is intended to supplement the condensed interim consolidated financial statements of the Company for the three-month period ended June 30, 2026, and related notes thereto (the "Financial Statements"), which have been prepared in accordance with the Australian Accounting Standards Board ("AASB") 134 and the International Accounting Standards ("IAS") 34, Interim Financial Reporting, and should be read in conjunction with the Company's audited annual financial statements and MD&A for the financial year ended March 31, 2026. The Financial Statements and other information pertaining to Champion are available under the Company's profile on the Australian Securities Exchange (the "ASX") at www.asx.com.au, SEDAR+ at www.sedarplus.ca and the Company's website at www.championiron.com.

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

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

The following abbreviations and definitions are used throughout this MD&A: US$ or U.S. dollar (United States dollar), C$ (Canadian dollar), Board (Board of Directors of Champion), t (tonnes), wmt (wet metric tonnes), dmt (dry metric tonnes), M (million), Mt (million tonnes), FOB (free on board), Fe (iron), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), Rana Gruber Mine (Mo i Rana Mining Complex), FID (final investment decision), IID (interim investment decision), DFS (definitive feasibility study), DR (direct reduction), DRPF (direct reduction pellet feed), Kami Project (Kamistiatusset project), P61 index (Platts IODEX 61% Fe CFR China index), P62 index (Platts IODEX 62% Fe CFR China index), P65 index (Platts IODEX 65% Fe CFR China index), C3 index (C3 Baltic Capesize index), EBITDA (earnings before income and mining taxes, net finance costs and depreciation), AISC (all-in sustaining cost) and EPS (earnings per share). References to "Champion" or the "Company" refer to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable, and "QIO" refers to Quebec Iron Ore Inc., the Company's wholly-owned subsidiary and the operator of Bloom Lake. The term "IFRS" refers to International Financial Reporting Standards as issued by the International Accounting Standards Board.

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" section of the Company's MD&A for the financial year ended March 31, 2026, and to the "Cautionary Note Regarding Forward-Looking Statements" section of this MD&A.

Non-IFRS and Other Financial Measures

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

Cautionary Note Regarding Forward-Looking Statements

Forward-Looking Statements

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

Cautionary Note Regarding Forward-Looking Statements (continued)

Specific Forward-Looking Statements

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

(i) Bloom Lake's LoM, long-term investment plan and efforts to improve recovery rates, production, economic and other benefits, nameplate capacity and related opportunities and benefits;

(ii) the project to upgrade the Bloom Lake iron ore concentrate to a higher purity and to convert approximately half of Bloom Lake's increased mine capacity to a DR quality pellet feed iron ore (the DRPF project), expected DRPF project timeline, including the anticipated timeline for initial saleable production and full production capacity, remaining completion expenditures and budget, pricing premiums, efficiencies, economic and other benefits, related engagement with, and expectations with respect to, prospective customers, the expected commercial shipments of iron ore and ramping-up and achieving full production capacity of the DRPF project and the impact thereof on production, sales and financial results and the timing thereof;

(iii) the Kami Project Study (including LoM), the Kami Project's potential to produce a DR grade product, DFS and its timing, stakeholder and government engagement, efficiencies and economic and other benefits and evaluation of opportunities to improve project economics;

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

(v) the Rana Gruber Acquisition (as defined below), including the expectations regarding the integration of Rana Gruber, the strong continuity of mineralization at Rana Gruber, that may support long-term production, and the ability of Champion to realize the anticipated benefits of the Rana Gruber Acquisition;

(vi) the shift in steel industry production methods, expected rising demand for higher-purity iron ore products and DRI globally and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including the transition of the Company's product offering (including producing high-purity DRPF products) and the expansion of its geography, markets and customer base, related investments and expected benefits thereof;

(vii) maintaining stripping activities cadence;

(viii) ore inventory management strategies, including product blending, short-term stockpiling and reducing inventory levels at Rana Gruber;

(ix) the Company's safe tailings strategy and tailings investment plan, mining equipment rebuild programs;

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

(xi) the relationship between iron ore prices and ocean freight costs (including C3 index outlook) and their impact on the Company;

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

(xiii) the Company's cash requirements for the next 12 months relating primarily to capital expenditures, growth project expenditures, dividend payments to shareholders, if declared, capital repayments related to lease liabilities and long-term debt, and mining and income taxes, the Company's positioning to fund such cash requirements and estimated future interest payments;

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

(xv) production and recovery rates and levels, ore characteristics and the Company's performance and related strategies and work programs to optimize operations, including ore blending optimization;

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

(xvii) the Company's tax position and expectations regarding the absence of taxable profit to utilize losses;

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

(xix) the Company's iron ore concentrates pricing trends compared to the P65 index;

(xx) available liquidity and the Company's financial flexibility, including spending prioritization;

(xxi) the Company's beliefs regarding non-IFRS and other financial measures, including usefulness of those measures for investors to understand the Company's results and ability to generate operating earnings, compare operating results between periods, evaluate business performance, assess liquidity and cash flows to fund working capital needs and capital expenditures, and service debt obligations;

(xxii) the Company's beliefs regarding compliance with applicable laws and regulations, including that it has all necessary licenses, permits and approvals required to carry out its activities;

(xxiii) contingent production payments with respect to the Company's properties; and

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

Cautionary Note Regarding Forward-Looking Statements (continued)

Risks

Although the Company believes the expectations expressed in such Forward-Looking Statements are based on reasonable assumptions, such Forward-Looking Statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such Forward-Looking Statements. Factors that could cause actual results to differ materially from those expressed in Forward-Looking Statements include, without limitation: (i) iron ore prices; (ii) energy prices; (iii) operating costs; (iv) freight costs; (v) general economic, competitive, political and social uncertainties; (vi) continued availability of capital and financing and general economic, market or business conditions; (vii) timing of and uncertainty regarding the steel industry shift in production methods, impacting demand for high-purity feed; (viii) failure of plant, equipment or processes, including those of third-party providers or counterparties, to operate as anticipated; (ix) delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; (x) the results of feasibility studies; (xi) changes in the assumptions used to prepare feasibility studies; (xii) project delays; (xiii) geopolitical events; and (xiv) the effects of catastrophes and public health crises on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's MD&A for the financial year ended March 31, 2026, available under the Company's profile on the ASX at www.asx.com.au, SEDAR+ at www.sedarplus.ca and its website at www.championiron.com.

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

Additional Updates

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

1. Description of Business

Champion was incorporated under the laws of Australia in 2006 and is dual-listed on the Australian Securities Exchange (ASX: CIA) and the Toronto Stock Exchange (TSX: CIA), and trades on the OTCQX Best Market (OTCQX: CIAFF).

Champion is a high-purity iron ore producer with operations in Canada and Norway. Through Quebec Iron Ore Inc., Champion owns and operates the Bloom Lake Mining Complex located on the south end of the Labrador Trough, approximately 13 kilometres north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentration plants that primarily source energy from renewable hydroelectric power, having a combined nameplate capacity of 15M wmt per year that produce low contaminant high-purity iron ore concentrates with a proven ability to produce direct reduction grade quality iron ore concentrate. The iron ore concentrate from Bloom Lake is transported by rail, to a ship loading port in Sept-Îles, Québec. Benefiting from one of the highest purity resources globally, Champion is implementing a work program to be able to upgrade up to half of the Bloom Lake's mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe. Bloom Lake's high-purity and lower contaminant iron ore products have attracted a premium to the P61 index (formerly, the P62 index). Champion also owns and operates Rana Gruber AS ("Rana Gruber"), a Norwegian iron ore producer based in Mo i Rana, Nordland. With continuous production dating back to the 1960s, Rana Gruber produces approximately 1.8M dmt per year of hematite and magnetite iron ore concentrates. Champion has delivered iron ore concentrates to global markets, including China, Japan, the Middle East, Europe, South Korea, India, Southeast Asia, North Africa and Canada. In addition to its producing mines, Champion holds a 51% interest in Kami Iron Mine Partnership (the "Kami Partnership"), which is jointly owned with Nippon Steel Corporation ("Nippon Steel") and Sojitz Corporation ("Sojitz", and collectively with Nippon Steel, the "Partners"), and through which the Kami Project is held. Located approximately 21 kilometres southeast of Bloom Lake, the Kami Project benefits from access to existing infrastructure. Champion also holds a portfolio of exploration and development projects in the Labrador Trough, including the Cluster II properties, which are situated within 60 kilometres south of Bloom Lake.

2. Rana Gruber Acquisition

Rana Gruber is a Norwegian iron ore producer benefiting from a heritage of mining expertise. Established in 1964, Rana Gruber operates both an underground mine and a nearby open pit, with strong mineralization continuity, potentially supporting long-term production. Its operations are integrated with a public railway network connecting the mine to a coastal processing plant and dedicated port facilities. Rana Gruber produces hematite iron ore concentrates, primarily for European steelmakers, as well as a high-purity magnetite concentrate mostly used in industrial applications. Benefiting from access to renewable power, Rana Gruber maintains a low carbon production profile.

On April 10, 2026, Champion acquired 92.48% of the issued and outstanding shares of Rana Gruber pursuant to its previously announced recommended voluntary cash tender offer. The Company completed the compulsory acquisition of the remaining Rana Gruber shares and assumed 100% ownership of Rana Gruber on April 17, 2026 (the "Rana Gruber Acquisition"). The Rana Gruber Acquisition was completed for a total consideration of $426.6 million, which was funded through a combination of a new secured 4-year US$150 million term loan, the net proceeds from a US$100 million equity private placement with Caisse de dépôt et placement du Québec ("La Caisse"), and the Company's cash on hand. Additional details on the Rana Gruber Acquisition are provided in note 3 to the Financial Statements.

The Rana Gruber Acquisition impacts the comparability of the Company's current financial results with those of prior periods. Following the Rana Gruber Acquisition, Champion aligned Rana Gruber's financial information and reporting metrics with its reporting practices. Accordingly, caution should be exercised when comparing current-period results with Rana Gruber's historical results reported prior to the Rana Gruber Acquisition, as well as with Champion's previous results. Following its review of segment reporting, the Company concluded that it has two reportable iron ore segments: Bloom Lake and Rana Gruber.

3. Consolidated Financial and Operating Highlights

	Three Months Ended June 30,		
	2026	2025	Variance
Iron ore concentrates produced (wmt)	**3,939,400**	3,520,600	12%
Iron ore concentrates sold (dmt)	**3,339,000**	3,831,800	(13%)
Financial Data (in thousands of dollars, except per share data)			
Revenues	**356,876**	390,027	(8%)
Net income (loss)	**(41,528)**	23,784	(275%)
Adjusted net income (loss)[1]	**(35,229)**	23,784	(248%)
EBITDA[1]	**32,790**	57,753	(43%)
EBITDA margin[1]	**9 %**	15 %	(40%)
Basic EPS	**(0.07)**	0.05	(240%)
Adjusted EPS[1]	**(0.06)**	0.05	(220%)
Net cash flows from operating activities	**51,013**	81,132	(37%)
Cash	**198,621**	176,054	13%
Total assets	**4,079,169**	3,060,237	33%
Statistics (in dollars per dmt sold)			
Gross average realized selling price[1]	**158.7**	146.0	9%
Net average realized selling price[1]	**106.9**	101.8	5%
C1 cash cost[1]	**83.7**	81.9	2%
AISC[1]	**111.3**	96.2	16%
Cash operating margin[1]	**(4.4)**	5.6	(179%)
Statistics (in U.S. dollars per dmt sold)[2]			
Gross average realized selling price[1]	**115.2**	105.5	9%
Net average realized selling price[1]	**77.5**	73.4	6%
C1 cash cost[1]	**60.5**	59.2	2%
AISC[1]	**80.4**	69.5	16%
Cash operating margin[1]	**(2.9)**	3.9	(174%)

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

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

4. Quarterly Highlights

Operations and Sustainability

- No serious workplace injuries and no major environmental incidents were reported during the three-month period ended June 30, 2026;
- Quarterly production of 3.9 million wmt of high-purity iron ore concentrates for the three-month period ended June 30, 2026, a 12% increase over the same prior-year period, primarily attributable to the Rana Gruber Acquisition (0.4 million wmt), while Bloom Lake continued to deliver operational performance (3.5 million wmt); and
- Quarterly sales totalled 3.3 million dmt of high-purity iron ore concentrates (3.1 million dmt and 0.2 million dmt from Bloom Lake and Rana Gruber, respectively) for the three-month period ended June 30, 2026, a decrease of 13% from the same prior-year period, primarily reflecting the planned transition and shipment sequencing associated with the DRPF ramp-up at Bloom Lake, partially offset by sales from Rana Gruber's operations.

Financial Results

- Financial results for the quarter were impacted by the timing of iron ore shipments associated with DRPF commissioning activities, which deferred a portion of revenues and related net income, EBITDA and cash flows from operating activities to future periods, as well as by higher freight and fuel and lower fixed cost absorption;
- Revenues of $356.9 million for the three-month period ended June 30, 2026, compared to $390.0 million for the same period in 2025;
- C1 cash cost for the iron ore concentrates loaded onto vessels totalled $83.7/dmt[1] (US$60.5/dmt)[2] for the three-month period ended June 30, 2026, up from $81.9/dmt[1] (US$59.2/dmt)[2] for the same period in 2025. C1 cash cost for the period was negatively impacted by the absorption of fixed costs over lower iron ore sales volumes, together with a significant rise in fuel prices attributable to the conflict in the Middle East;
- Net loss totalled $41.5 million for the three-month period ended June 30, 2026, representing a loss per share of $0.07, compared to net income of $23.8 million and EPS of $0.05 for the same period in 2025. The net loss was primarily driven by an unrealized foreign exchange loss of $17.2 million on net monetary liabilities denominated in foreign currencies, as well as unfavourable fair value adjustments of $17.6 million on derivative instruments;
- EBITDA of $32.8 million[1] for the three-month period ended June 30, 2026, down from $57.8 million[1] for the same period in 2025, negatively impacted by several factors, including the timing of sales, unfavourable changes in fair value of derivative instruments of $17.6 million which also impacted net loss, DRPF start-up costs of $6.6 million and inventory valuation adjustments in relation to the Rana Gruber Acquisition of $2.9 million;
- Net cash flows from operating activities of $51.0 million for the three-month period ended June 30, 2026, compared to $81.1 million for the same period in 2025, primarily reflecting less favourable changes in non-cash operating working capital, notably driven by the reclassification of the redemption obligation related to the Kami Partnership to current liabilities;
- Cash balance, excluding the unused portion of the initial cash contributions from Nippon Steel and Sojitz held in a restricted cash account by the Kami Partnership, totalled $198.6 million as at June 30, 2026, a decrease of $98.2 million since March 31, 2026, primarily reflecting lower net cash flows from operating activities and the use of cash on hand to finance the Rana Gruber Acquisition; and
- Available liquidity remained robust at $653.1 million[1] as at June 30, 2026, compared with $812.4 million[1] as at March 31, 2026.

Development and Growth Initiatives

- Completed the Rana Gruber Acquisition on April 10, 2026;
- Entered into a new term loan under the Company's syndicated senior credit facilities to finance the Rana Gruber Acquisition and extended the maturity of the existing US$400 million senior revolving credit facility to April 2030;
- Completed the DRPF project within its recently estimated $500 million budget and secured a commercial agreement for a portion of near-term production capacity, while advancing discussions with additional prospective customers; and
- Successfully produced the first DR quality iron ore from the DRPF project at Bloom Lake, with an inaugural commercial shipment expected in the third calendar quarter of 2026.

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

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

5. DRPF Project Update

The DRPF project is designed to upgrade half of Bloom Lake's capacity to a DR quality pellet feed iron ore grading up to 69% Fe, with combined silica and alumina content below 1.2%. Benefiting from a rare high-purity resource, Bloom Lake is positioned to supply one of the highest quality DRPF products available on the seaborne market, which could attract a considerable pricing premium over its high-purity 66.2% Fe iron ore concentrate.

The project achieved a key commissioning milestone in March 2026 with the successful completion of initial production tests, marking the production of the first tonnes of DR quality iron ore pellet feed. During the three-month period ended June 30, 2026, the DRPF project progressed through its commissioning and ramp-up phase. The Company recently entered into a commercial agreement for a portion of its expected near-term production capacity and continues to advance discussions with prospective customers for the remaining volumes. The inaugural commercial sale of a Capesize vessel carrying at least 160,000 wmt of DR quality iron ore is expected in the third calendar quarter of 2026. Cumulative investments totalled $493.7 million as at June 30, 2026, remaining within the recently estimated $500 million budget, with only minor completion expenditures anticipated to be incurred.

Concurrently with the commissioning of the DRPF project, several systems were integrated with one of Bloom Lake's concentrators during the three-month period ended June 30, 2026, impacting production and operational efficiencies for several days, as expected. The integration of the DRPF project and its ramp-up toward commercial production capacity over the next several months may continue to create operational efficiency disruptions at Bloom Lake. The commissioning of the DRPF project affected the timing of iron ore shipments during the three-month period ended June 30, 2026, and may also affect it in future periods. Accordingly, the Company continues to evaluate its iron ore inventory management strategies, which may include product blending and the short-term stockpiling of different iron ore qualities.

The DRPF project ramp-up and product quality stabilization phase is expected to span over several months, following the initial shipments of DR quality iron ore. Until Champion consistently delivers a DRPF product that meets customers' quality specifications, a portion of production may be sold into the spot market. Accordingly, during the ramp-up period, the Company does not expect to fully benefit from DRPF premiums or freight savings. Full production capacity is expected to be achieved toward the end of the current financial year.

6. Key Drivers

Iron Ore Concentrate Price

The price of iron ore concentrate is a critical factor influencing the Company's financial performance. The iron ore concentrate price fluctuates daily and is affected by several industries and macroeconomic factors beyond the Company's control. Due to the high-quality properties of its hematite iron ore concentrate produced at Bloom Lake and its hematite and magnetite iron ore concentrates produced at Mo i Rana, the Company's iron ore products have proven to attract a premium over the P61 index (formerly, the P62 index), widely used as the reference price in the industry. As such, the Company's products are primarily priced based on the high-purity P65 index, while a minor portion is priced based on the P61 index and other commercial contracts not linked to primary iron ore indices. The premium captured by the P65 index is attributable to steel mills recognizing that higher iron ore grades offer the benefit of optimizing output while also significantly decreasing CO_2 emissions in the steelmaking process.

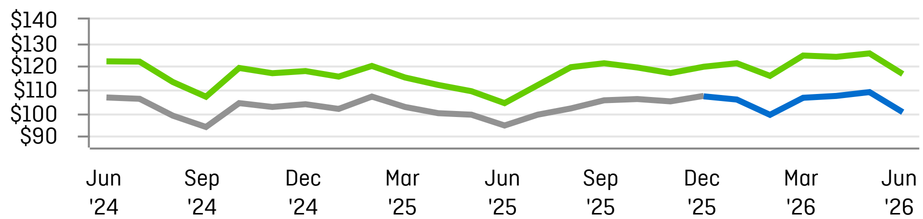
During the three-month period ended June 30, 2026, the P65 index averaged US$121.9/dmt, representing an increase of 12% year-over-year and 1% quarter-over-quarter. Iron ore prices remained resilient through the first half of the quarter, extending the strength observed in preceding months. Elevated energy and freight costs, driven by the broader impact of the conflict in the Middle East, continued to increase production and transportation expenses for iron ore producers globally. These cost-driven factors supported iron ore prices, offsetting the initial signs of weakening demand that began to emerge during the period. As the quarterly period progressed, market fundamentals gradually weakened, resulting in lower iron ore prices. Seaborne iron ore supply increased as shipments from Australia, Brazil, and Guinea strengthened, while Chinese steel demand fell short of typical seasonal expectations amid persistent rainfall and unusually high temperatures. At the same time, steel mill margins came under pressure following a sharp rise in coking coal and coke prices triggered by a fatal mine accident in Shanxi. The subsequent decline in oil prices contributed to lower freight costs, removing an element that supported iron ore index prices earlier in the quarter. Iron ore port inventories in China followed a similar trend, declining modestly but remaining elevated above historical averages. Margin pressures at Chinese steel mills increased demand for lower-cost feedstock, contributing to a modest narrowing of the spread between the 65% and 61% Fe indexes.

6. Key Drivers (continued)

Iron Ore Concentrate Price (continued)

According to the World Steel Association[1], global crude steel production declined by only 0.03% year-over-year for the three-month period ended June 30, 2026, totalling 468.3 million tonnes. The near-flat global production reflected divergent regional trends. Steel production in China contracted by 3.2% during the first half of the year amid softer domestic demand, compressed steel mill margins and typical seasonal weakness. However, this decline was largely offset by stronger steel output in Europe, Asia (excluding China), and North America. During the period, Chinese authorities introduced stricter steel capacity replacement requirements as part of ongoing efforts to address structural overcapacity and enhance industry discipline. Meanwhile, protectionist measures continued to shape the global steel landscape, with major economies reinforcing support for domestic producers through various trade policy actions, including revisions to the United States' tariff framework and the European Union's announcement of additional steel safeguards measures.

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



The following table details the Company's gross revenue exposure, as at June 30, 2026, subject to movements in iron ore prices for the provisionally priced sales volume:

	As at June 30, 2026
Dry metric tonnes subject to provisional pricing adjustments	**2,081,100**
(in thousands of U.S. dollars)	
10% increase in iron ore prices	**22,970**
10% decrease in iron ore prices	**(22,970)**

These sensitivities demonstrate the monetary impact on gross revenues in U.S. dollars resulting from a 10% increase and 10% decrease in gross realized selling prices as at June 30, 2026, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact net realized selling price in Canadian dollars. The above sensitivities should, therefore, be used with caution.

Sea Freight

Sea freight is an important component of the Company's cost structure as it ships nearly all of its iron ore concentrates to several regions overseas, including China, Japan, the Middle East, Europe, South Korea, India, Southeast Asia and North Africa. The common reference route for dry bulk material from the Americas to Asia is the Tubarao (Brazil) to Qingdao (China) route, which encompasses 11,000 nautical miles. The freight cost per tonne associated with this route is captured in the C3 index, which is considered the reference ocean freight cost for iron ore shipped from Brazil to Asia. Since there is no index for the route between the Company's operating mines and the consuming markets, most of the Company's freight costs are derived from the C3 index, adjusted for certain customer destinations and seasonality. Therefore, the freight cost per tonne associated with sea freight is on average higher than the C3 index price. Additionally, the Company can be exposed to certain ice premiums in relation to the C3 index for a portion of its first financial quarter, but most particularly in its fourth financial quarter which typically is entirely subject to the effective period of ice premiums.

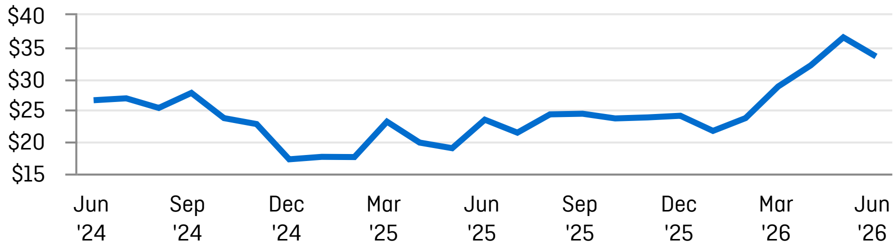
When contracting vessels on the spot market, Champion books the majority of its vessels three to five weeks prior to the desired laycan period due to its distance from main shipping hubs. Although this creates a delay between the freight paid and the C3 index, the effect of this delay is eventually reconciled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

[1] World Steel Association

6. Key Drivers (continued)

Sea Freight (continued)

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



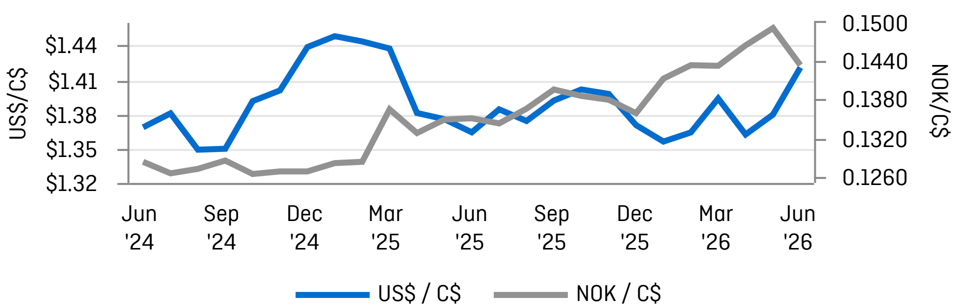
During the three-month period ended June 30, 2026, the C3 index averaged US$34.0/t, up 63% year-over-year and 37% quarter-over-quarter. Freight rates remained elevated throughout the quarter as the conflict in the Middle East continued to disrupt markets through higher bunker fuel costs, increased war-risk premiums, and vessel rerouting. Strong seasonal iron ore exports, increased activity from West Africa, and resilient coal trade flows further supported vessel demand, lifting the Baltic Dry Index to its highest level since late 2023. Freight rates softened later in the quarter as declining oil prices reduced bunker fuel costs and congestion at discharge ports gradually eased from the peak levels observed in mid-May 2026. Despite this improvement, vessel queues remained above historical averages due to persistently elevated inventory levels.

Currency

The Canadian dollar is the Company's functional and reporting currency. The Company is exposed to foreign exchange fluctuations as the majority of its sales, sea freight costs, long-term debt and lease liabilities are denominated in U.S. dollars. Consequently, the Company's operating results and cash flows are affected by fluctuations in the Canadian dollar to U.S. dollar exchange rate. A strengthening of the U.S. dollar would have a positive impact on the Company's net income and cash flows, while a strengthening of the Canadian dollar would have a negative impact. Following the Rana Gruber Acquisition, the Company is also exposed to fluctuations in the Norwegian krone as the majority of Rana Gruber's expenses are denominated in this currency. While movements in the Norwegian krone may also affect the Company's operating and financial results, the associated exposure is less significant than its exposure to the U.S. dollar.

As a significant portion of the Company's long-term debt and lease liabilities are denominated in U.S. dollars and, to a lesser extent, Norwegian krone, the Company is also subject to non-cash revaluation adjustments, which may impact its financial results. However, the Company typically maintains a cash balance and has trade receivables in U.S. dollars, which partially mitigate its foreign exchange exposure. Assuming a stable selling price, a variation of C$0.01 against the U.S. dollar would impact gross revenues by approximately 1%. Similarly, assuming a stable long-term debt balance, a variation of C$0.01 against the U.S. dollar would impact debt revaluation by approximately 1%.

Monthly Closing Exchange Rates



6. Key Drivers (continued)

Currency (continued)

Exchange rates were as follows:

	US$ / C$				NOK / C$			
	Average		Closing		Average		Closing	
	FY2027	FY2026	**FY2027**	FY2026	**FY2027**	FY2026	**FY2027**	FY2026
Q1	**1.3843**	1.3841	**1.4210**	1.3643	**0.1468**	N/A	**0.1434**	N/A
Q2		1.3773		1.3921		N/A		N/A
Q3		1.3947		1.3706		N/A		N/A
Q4		1.3717		1.3939		N/A		N/A
Year-end as at March 31		1.3820		1.3939		N/A		N/A

Key Drivers Related to Derivatives

Rana Gruber holds a number of hedging instruments related to iron ore concentrate prices, sea freight, foreign exchange rates and electricity prices. Moreover, in May 2026, QIO entered into foreign exchange forward contracts totalling US$600 million to hedge its anticipated exposure to fluctuations in the US$/C$ exchange rate through May 2027. Further information regarding the Company's derivative instruments is outlined in note 20 to the Financial Statements.

Apart from these key drivers and the risk factors that are described in the "Risk Factors" section of the Company's MD&A for the financial year ended March 31, 2026, Management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

7. Financial and Operating Performance

	Three Months Ended June 30,		
	2026	2025	Variance
Consolidated Financial Data (in thousands of dollars)			
Revenues	**356,876**	390,027	(8)%
Cost of sales	**288,751**	313,928	(8)%
Other operating expenses	**21,174**	18,712	13 %
Net finance costs (income)	**35,861**	(13,256)	(371)%
Other income (expenses)	**(13,571)**	366	(3808)%
Net income (loss)	**(41,528)**	23,784	(275)%
EBITDA[1]	**32,790**	57,753	(43)%
Consolidated Statistics (in dollars per dmt sold)			
Gross average realized selling price[1]	**158.7**	146.0	9 %
Net average realized selling price[1]	**106.9**	101.8	5 %
C1 cash cost[1]	**83.7**	81.9	2 %
AISC[1]	**111.3**	96.2	16 %
Cash operating margin[1]	**(4.4)**	5.6	(179)%

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

7. Financial and Operating Performance (continued)

A. Consolidated Revenues

	Three Months Ended June 30,		
	2026	2025	Variance
Indexes (in U.S. dollars per tonne)			
P61 (previously P62 in calendar 2025)	**105.3**	97.8	8 %
P65	**121.9**	108.4	12 %
C3	**34.0**	20.8	63 %
Statistics (in dollars per dmt sold)[2]			
Gross average realized selling price[1]	**115.2**	105.5	9 %
Freight and other costs	**(36.4)**	(26.9)	35 %
Provisional pricing adjustments	**(1.3)**	(5.2)	(75)%
US$ Net average realized FOB selling price[1]	**77.5**	73.4	6 %
C$ Net average realized FOB selling price[1]	**106.9**	101.8	5 %

Revenues totalled $356.9 million for the three-month period ended June 30, 2026, a decrease of $33.2 million from $390.0 million in the same prior-year period, despite the inclusion of $23.9 million of revenues from Rana Gruber following the acquisition completed on April 10, 2026. Excluding the Rana Gruber Acquisition, lower revenues were mainly attributable to Bloom Lake's lower sales volumes during the three-month period ended June 30, 2026, compared to the same period in 2025. Bloom Lake's sales volumes were affected by the timing of vessel shipments, as vessel bookings reflected lower anticipated volumes transported to the Port of Sept-Îles during the DRPF project ramp-up period. The increase in the gross average realized selling price offset the rise in freight costs during the period when compared with the previous period.

For the three-month period ended June 30, 2026, the gross average realized selling price of US$115.2/dmt[1] was below the P65 index average price of US$121.9/dmt. The 2.1 million dmt of iron ore sold that remained subject to pricing adjustments as at June 30, 2026, were evaluated using an average forward selling price of US$110.4/dmt, which is lower than the P65 index average price for the period. In addition, index prices on Bloom Lake's concentrate sales based on backward-looking pricing were also below the P65 index average price of the period. During the quarter, the Company continued to prepare for Bloom Lake's transition to higher-purity DR quality iron ore and intentionally allocated a lower proportion of sales volumes to long-term contracts. This approach allowed the Company to retain a greater proportion of its available iron ore products for the short-term and spot markets, which have recently experienced greater pricing volatility and discounts relative to the iron ore indexes.

During the three-month period ended June 30, 2026, an average final price of US$118.3/dmt was established for the 2.3 million dmt of iron ore concentrates sold that were subject to provisional pricing adjustments as at March 31, 2026, which were previously evaluated using an average estimated price of US$120.2/dmt. Accordingly, negative provisional pricing adjustments of $6.2 million were recorded for tonnes subject to provisional pricing as at March 31, 2026, representing a negative impact of US$1.3/dmt for the 3.3 million dmt sold during the quarter.

Freight and other costs totalled US$36.4/dmt during the three-month period ended June 30, 2026, representing a 35% increase compared to US$26.9/dmt in the same prior-year period, mainly reflecting a 63% increase in the average C3 index. While the C3 index increased significantly during the quarter, the Company's freight and other costs increased at a slower pace, reflecting the Company's agile vessel booking strategies, favourable freight rates secured under fixed-price contracts below prevailing market levels for a portion of the sales volumes, and the positive impact of backward-looking pricing mechanisms. The rise in the C3 index, driven by the ongoing conflict in the Middle East as outlined in section 6 — Key Drivers, is expected to continue impacting Champion's net revenues in the quarter ending September 30, 2026, as most vessels are booked three to five weeks prior to the desired laycan period.

After taking into account sea freight and other costs of US$36.4/dmt and the negative provisional pricing adjustments of US$1.3/dmt, the Company obtained a net average realized selling price of US$77.5/dmt[2] (C$106.9/dmt[1]) for its high-purity iron ore concentrates shipped during the three-month period ended June 30, 2026.

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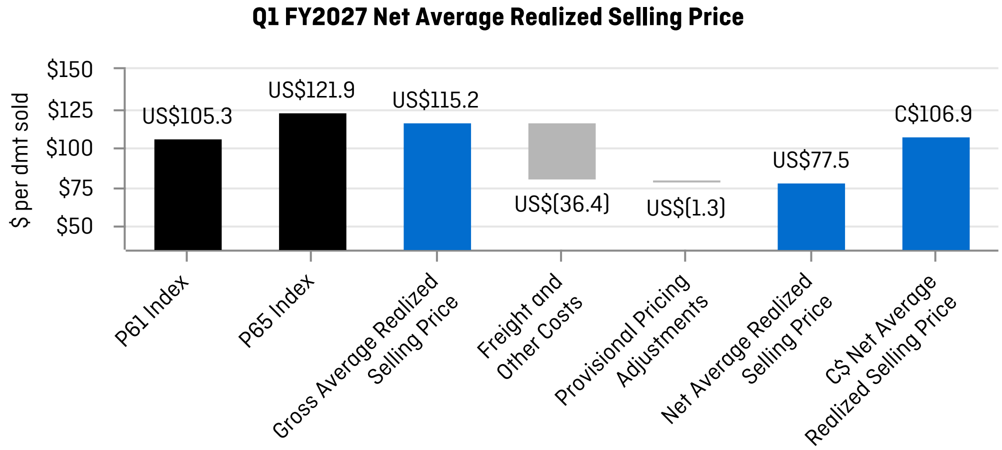
[2] See the "Currency" subsection included in section 6 — Key Drivers of this MD&A.

7. Financial and Operating Performance (continued)

A. Consolidated Revenues (continued)



B. Bloom Lake Mine Results

	Three Months Ended June 30,		
	2026	2025	Variance
Mine Operating Data			
Iron ore concentrates sold (dmt)	**3,128,800**	3,831,800	(18)%
High-purity hematite iron ore concentrate produced (wmt)	**2,918,900**	3,520,600	(17)%
DRPF project hematite produced (wmt)	**628,300**	—	— %
Iron ore concentrate produced (wmt)	**3,547,200**	3,520,600	1 %
Iron ore concentrate produced (dmt)	**3,437,500**	3,412,300	1 %
Waste mined and hauled (wmt)	**10,093,400**	10,963,600	(8)%
Ore mined and hauled (wmt)	**9,716,300**	10,070,700	(4)%
Material mined and hauled (wmt)	**19,809,700**	21,034,300	(6)%
Stripping ratio	**1.04**	1.09	(5)%
Ore milled (wmt)	**10,071,700**	10,500,700	(4)%
Head grade Fe (%)	**29.5**	28.2	5 %
Fe recovery (%)	**79.0**	78.2	1 %
Weighted average products Fe (%)	**66.5**	66.3	— %
Mine Selected Financial Data (in thousands of dollars)			
Revenues	**332,980**	390,027	(15)%
Cost of sales	**267,504**	313,928	(15)%
Gross profit	**27,408**	29,894	(8)%
Mine Selected Statistics (in dollars per dmt)			
Net average realized selling price (per dmt sold)[1]	**106.4**	101.8	5 %
Mining and processing costs (per dmt produced)[1]	**54.5**	53.7	1 %
Land transportation and port handling costs (per dmt sold)[1]	**30.6**	24.3	26 %
Total cash costs (per dmt sold)[1]	**83.4**	81.9	2 %
AISC (per dmt sold)[1]	**104.4**	93.0	12 %

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

7. Financial and Operating Performance (continued)

B. Bloom Lake Mine Results (continued)

i. Operating Performance

Bloom Lake produced 3.5 million wmt of high-purity iron ore concentrates during the three-month period ended June 30, 2026, comparable to the same period in 2025, benefiting from higher ore grade and Fe recovery. The quarterly production level was impacted by the DRPF facilities progressing through commissioning. The production included 0.6 million wmt of concentrate produced through the DRPF infrastructure, with product quality progressively improving toward targeted purity specifications in accordance with the commissioning process. As a result, the weighted average product grade increased to 66.5% Fe. During the three-month period ended June 30, 2026, the Fe recovery rate increased to 79.0% from 78.2% for the same period in 2025, benefiting from improved performance of the gravimetric systems, following work programs and operational optimizations.

Sales volumes of iron ore concentrates during the three-month period ended June 30, 2026, were 18% lower than in the same prior-year period, as the prior-year period benefited from strong sales volumes due to stockpiled inventory. Current period sales were impacted by scheduled third-party port and rail maintenance shutdowns, as well as the timing of sales primarily related to the DRPF project's commissioning. Inventories of iron ore concentrates at Bloom Lake and at the port totalled 1.7 million wmt as at June 30, 2026, compared to 1.3 million wmt as at March 31, 2026. Inventory levels increased during the quarter as production exceeded sales volumes, reflecting the timing of shipments and the commissioning activities associated with the DRPF project. These inventories are expected to provide operational flexibility and support future sales activities. As the Company advances the commissioning of the DRPF project, it continues to optimize its inventory management strategies to maintain adequate saleable inventories, manage different iron ore qualities and enhance production and sales logistics.

During the three-month period ended June 30, 2026, the Company mined and hauled 19.8 million wmt of waste and ore, compared to 21.0 million wmt in the same prior-year period. The stripping ratio for the three-month period ended June 30, 2026, was 1.04, compared to a 1.09 ratio recorded in the same prior-year period. Champion anticipates maintaining this stripping cadence in upcoming periods, consistent with its LoM plan.

ii. Financial Performance

The cost of sales associated with Bloom Lake operations totalled $267.5 million, compared to $313.9 million for the same period in 2025. For the three-month period ended June 30, 2026, mining and processing costs totalled $54.5/dmt produced[1], representing a 1% increase, compared to $53.7/dmt produced[1] in the same prior-year period, primarily attributable to higher fuel prices due to the conflict in the Middle East, and higher explosives prices, partially offset by cost optimization efforts. Land transportation and port handling costs include both fixed and variable components and are significantly influenced by the volume hauled from Fermont to the Port of Sept-Îles. Land transportation and port handling costs for the three-month period ended June 30, 2026, were $30.6/dmt sold[1], a 26% increase, compared to the prior-year period, mainly reflecting lower sales volumes. In addition, cost of sales was impacted by changes in iron ore concentrates inventory valuation, which incorporate mining and processing costs from the previous quarter, along with variations in production and sales volumes. Consequently, Bloom Lake C1 cash cost totalled $83.4/dmt[1], compared to $81.9/dmt[1] for the same period in 2025. C1 cash cost excludes DRPF start-up costs, which mainly include abnormal operational costs incurred as the facility progresses toward commercial production.

Despite lower shipment volumes, gross profit remained relatively stable at $27.4 million during the three-month period ended June 30, 2026, compared to $29.9 million for the same period in 2025. This is primarily reflecting higher realized selling prices and the impact of inventory valuation movements, which partially offset the effect of lower sales volumes.

AISC totalled $104.4/dmt[1] for the three-month period ended June 30, 2026, compared to $93.0/dmt[1] for the same prior-year period. The increase in AISC mostly reflected lower shipment volumes and higher sustaining capital expenditures, primarily attributable to the expansion of tailings storage capacity in line with the Company's long-term investment plan at Bloom Lake, overhaul expenditures on mining equipment, and ongoing mine development initiatives, including topographic and pre-cut drilling work. The timing of planned sustaining activities for the current financial year also resulted in a higher proportion of expenditures being incurred during the first quarter.

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7. Financial and Operating Performance (continued)

C. Rana Gruber Mine Results

Comparisons of unit costs between Champion's operating segments should be interpreted with consideration given to the differences in production methods, processing operations and logistics infrastructure specific to each operation. Considering its significantly shorter rail haulage distance, compared to Bloom Lake, the cost structure at Rana Gruber has a lower share attributable to land transportation and port handling, with a higher proportion of costs incurred at the mining and processing stages.

The following Rana Gruber results have been consolidated since the acquisition date of April 10, 2026, and accordingly represent less than a full quarter of operations.

	Three Months Ended June 30, 2026
Mine Operating Data	
Iron ore concentrates sold (dmt)	**210,200**
Hematite iron ore concentrate produced (wmt)	**337,500**
Magnetite iron ore concentrate produced (wmt)	**54,700**
Iron ore concentrates produced (wmt)	**392,200**
Iron ore concentrates produced (dmt)	**364,700**
Underground waste mined and hauled (including tunnelling) (wmt)	**101,600**
Underground ore mined and hauled (including tunnelling) (wmt)	**593,400**
Total underground and open pit material mined and hauled (wmt)	**2,236,300**
Open-pit stripping ratio	**2.00**
Ore milled (wmt)	**1,018,200**
Head grade Fe (%)	**31.7**
Fe recovery (%)	**75.3**
Weighted average products Fe (%)	**65.2**
Mine Selected Financial Data (in thousands of dollars)	
Revenues	**23,896**
Cost of sales	**21,247**
Gross loss	**(5,989)**
Mine Selected Statistics (in dollars per dmt)	
Net average realized selling price (per dmt sold)[1]	**113.7**
Mining and processing costs (per dmt produced)[1]	**85.7**
Land transportation and port handling costs (per dmt sold)[1]	**2.8**
Total cash costs (per dmt sold)[1]	**87.5**
AISC (per dmt sold)[1]	**147.0**

i. Operating Performance

Rana Gruber produced 0.4 million wmt of high-purity iron ore concentrates at a weighted average grade of 65.2% Fe since the acquisition date of April 10, 2026. When adjusted to reflect a full quarter of operations, production was in line with Rana Gruber's nameplate capacity after taking into account the annual maintenance shutdown usually conducted in June. Production benefited from stable mill throughput of 1.0 million wmt at a weighted average head grade of 31.7% Fe and Fe recovery of 75.3%.

Iron ore concentrates sold totalled 0.2 million dmt since the acquisition date and remained significantly below production levels, including on a full-quarter equivalent basis, primarily reflecting the timing of shipments. As a result, inventories of iron ore concentrates increased to 0.4 million wmt during the quarter and remained at elevated levels as at June 30, 2026. Management continues to focus on reducing inventory levels over time by optimizing sales opportunities.

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7. Financial and Operating Performance (continued)

C. Rana Gruber Mine Results (continued)

ii. Financial Performance

Cost of sales totalled $21.2 million for the quarter, including mining and processing costs of $31.2 million, land transportation and port handling costs of $0.6 million and a purchase price allocation inventory adjustment of $2.9 million, partially offset by a $13.5 million change in iron ore concentrates inventories. Handling costs are largely captured within mining and processing costs, while limited land transportation costs are incurred prior to shipment, resulting in land transportation and port handling costs of $2.8/dmt sold[1]. Mining and processing costs totalled $85.7/dmt produced[1], while C1 total cash cost amounted to $87.5/dmt sold[1], higher than historical levels. Higher C1 total cash cost was primarily attributable to several factors, including increased underground mining costs resulting from higher explosives prices and temporary operational challenges related to ventilation and water management. In addition, open-pit mining costs were impacted by increased hauling and waste rock activities in a new open-pit commissioned in January 2026, as well as higher diesel prices. C1 cash cost excludes inventory adjustments made as part of the purchase price allocation, as it reflects the fair value step-up of inventories recognized as part of the Rana Gruber Acquisition and is not representative of the underlying operating cost of producing and selling iron ore concentrates.

Gross loss totalled $6.0 million during the three-month period ended June 30, 2026, primarily attributable to low shipment volumes, the product mix of hematite and magnetite sold during the period, higher cost of sales and the purchase price allocation inventory adjustment of $2.9 million.

AISC totalled $147.0/dmt[1] for the three-month period ended June 30, 2026, reflecting higher sustaining capital expenditures attributable to the development of an additional underground mining level, including related infrastructure, and other mine development activities, together with the negative impact of lower sales volumes.

D. Other Operating Expenses

(in thousands of dollars)	Three Months Ended June 30, 2026	2025	Variance
Share-based payments	**(2,690)**	(317)	749 %
General and administrative expenses	**14,185**	12,581	13 %
Sustainability and other community expenses	**5,046**	4,577	10 %
Innovation and growth initiatives	**4,633**	1,871	148 %
	21,174	18,712	13 %

For the three-month period ended June 30, 2026, share-based payments were impacted by the change in value of the related liability, which varies based on the price of the Company's shares at each reporting date, and the quarterly vesting.

The increase in general and administrative expenses for the three-month period ended June 30, 2026, was mainly attributable to the inclusion of Rana Gruber's results following the Rana Gruber Acquisition on April 10, 2026. In addition, legal and consultant fees in relation to the Rana Gruber Acquisition contributed to the year-over-year increase in innovation and growth initiative expenses. The increase in sustainability and community-related expenses for the three-month period ended June 30, 2026, was attributable to annual price indexation.

E. Net Finance Costs (Income)

(in thousands of dollars)	Three Months Ended June 30, 2026	2025	Variance
Interest expense on long-term debt	**12,999**	6,177	110 %
Standby commitment fees on long-term debt	**596**	623	(4)%
Interest expense on lease liabilities	**2,319**	1,448	60 %
Interest income	**(2,837)**	(1,018)	179 %
Other finance costs	**2,265**	2,004	13 %
	15,342	9,234	66 %
Realized and unrealized foreign exchange loss (gain)	**20,519**	(22,490)	(191)%
	35,861	(13,256)	(371)%

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

7. Financial and Operating Performance (continued)

E. Net Finance Costs (Income) (continued)

The Company recorded net finance costs, before a realized and unrealized foreign exchange loss, of $15.3 million for the three-month period ended June 30, 2026, an increase compared to the same period in 2025. Higher interest expenses on long-term debt, associated with a higher debt balance, were partially offset by higher borrowing costs capitalized on the DRPF project which totalled $9.6 million during the quarter, compared to $6.7 million for the same prior-year period. Higher interest expenses on lease liabilities are mostly attributable to the lease liabilities acquired through the Rana Gruber Acquisition.

The foreign exchange loss of $20.5 million for the three-month period ended June 30, 2026, was mainly attributable to the revaluation of net monetary liabilities denominated in U.S. dollars. The depreciation of the Canadian dollar on the Company's net payable position at the end of the quarter, compared to March 31, 2026, mainly consisting of borrowings, lease liabilities, trade receivables, and cash denominated in U.S. dollars, contributed to the increase in net finance costs.

F. Income Taxes

The Company and its subsidiaries are subject to tax in Australia, Canada and Norway, based on the location of their operations. QIO, a Canadian subsidiary of Champion, is subject to Québec mining taxes at a progressive tax rate ranging from 16% and 28%, based on its mining profit margin. QIO is also subject to income taxes in Canada, where the combined provincial and federal statutory rate was 26.5% for the three-month period ended June 30, 2026 (2025: 26.5%). Rana Gruber is subject to Norway's general corporate income tax at a rate of 22.0% on its profits, with no mining tax levied in Norway.

During the three-month period ended June 30, 2026, current income and mining tax expense totalled $5.3 million, compared to $8.4 million for the same period in 2025. Lower tax expense was mainly attributable to the change in taxable income and a lower withholding tax paid on the dividend received from QIO. With a receivable net balance of $9.6 million as at March 31, 2026, income tax payable resulting from the Rana Gruber Acquisition of $8.4 million, and net tax payments of $13.0 million during the three-month period ended June 30, 2026, the Company had net income and mining taxes receivable of $9.0 million as at June 30, 2026.

During the three-month period ended June 30, 2026, deferred income and mining tax expenses totalled $14.1 million, compared to $8.0 million for the same period in 2025. The variation in deferred tax expenses was primarily due to the origination and reversal of net taxable temporary differences.

The combined provincial and federal statutory tax and mining tax rate was 38% and the Company's effective tax rate was 17% for the three-month period ended June 30, 2026, compared to 2% for the previous year. The effective tax rate for the current period was lower than the statutory tax rate, mainly due to the impact of foreign exchange losses (not deductible) and the withholding tax associated with the dividend received from QIO.

G. Net Income (Loss) & EBITDA

For the three-month period ended June 30, 2026, the Company generated a net loss of $41.5 million (loss per share of $0.07), compared to net income of $23.8 million (EPS of $0.05) for the same prior-year period. The net loss was mainly attributable to an unrealized foreign exchange loss of $17.2 million on net monetary liabilities denominated in foreign currencies, as well as unfavourable fair value adjustments of $17.6 million on derivative instruments.

For the three-month period ended June 30, 2026, the Company generated EBITDA of $32.8 million[1], representing an EBITDA margin of 9%[1], compared to $57.8 million[1], representing an EBITDA margin of 15%[1], for the same period in 2025. Lower EBITDA and EBITDA margins were mainly driven by the previously mentioned unfavourable fair value adjustments on derivative instruments, DRPF start-up costs of $6.6 million and inventory valuation adjustments in relation to the Rana Gruber Acquisition of $2.9 million.

H. All-in Sustaining Cost & Cash Operating Margin

During the three-month period ended June 30, 2026, the Company realized an AISC of $111.3/dmt[1], compared to $96.2/dmt[1] for the same period in 2025. This increase was mainly due to higher sustaining capital expenditures and higher cash cost, combined with lower volumes of iron ore concentrates sold.

The Company generated a negative cash operating margin of $4.4/dmt[1] for each tonne of high-purity iron ore concentrates sold during the three-month period ended June 30, 2026, compared to a positive cash operating margin of $5.6/dmt[1] for the same prior-year period. This decrease was mainly due to a higher AISC, partially offset by a higher net average realized selling price.

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8. Kami Partnership Outlook

The Kami Project is a pre-development DR grade iron ore project located near Bloom Lake's existing infrastructure and represents a key long-term growth opportunity for the Company. The technical report titled "Pre-feasibility Study for the Kamistiatusset (Kami) Iron Ore Property, Newfoundland and Labrador, Canada", prepared pursuant to National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* and Chapter 5 of the ASX Listing Rules and dated March 14, 2024 (the "Kami Project Study"), which was filed voluntarily by the Company, outlines a 25-year LoM and average annual production of approximately 9.0M wmt of DR grade iron ore concentrate grading above 67.5% Fe.

In July 2025, the Company entered into a framework agreement with Nippon Steel and Sojitz for the joint ownership and potential development of the Kami Project (the "Kami Transaction"). Under this agreement, the Partners are expected to contribute up to $245 million for a 49% interest in the Kami Partnership. In September 2025, the Partners made their initial cash contributions in an aggregate amount of $68.6 million. Until an FID is made, the Partners have different options to exit the Kami Partnership by requiring Champion to acquire their interests. The second closing of the Kami Transaction and subsequent cash contribution of $176.4 million remains subject to the completion of a DFS, which is expected to be completed in the near term, and Champion and the Partners proceeding with positive IID elections to pursue work towards an FID, as well as other customary closing conditions.

As at June 30, 2026, DFS-related exploration and engineering work was completed with economic evaluation and analysis progressing toward completion. The Company is in discussions with various levels of government regarding potential support and continues to evaluate opportunities to enhance the Kami Project's economics. Additionally, consultations have been initiated with the First Nations communities in Labrador regarding impact and benefit agreements.

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

9. Exploration Activities

During the three-month period ended June 30, 2026, the Company maintained all its properties in good standing and did not enter into any farm-in or farm-out arrangements. During the three-month period ended June 30, 2026, $1.9 million in exploration and evaluation expenditures were incurred, compared to $8.8 million for the same prior-year period. The lower expenditures year-over-year reflected the transfer of the Kami properties to the Kami Partnership and the Partners' acquisition of the aggregate 49% interest in the Kami Partnership in September 2025.

Exploration and evaluation expenditures related to Canadian activities carried out in Québec and Newfoundland and Labrador. Details on exploration projects, including maps, are available on the Company's website at www.championiron.com under the Operations & Projects section. The information on the Company's website is not incorporated by reference into this MD&A.

10. Cash Flows

The following table summarizes consolidated cash flow activities:

	Three Months Ended June 30,	
(in thousands of dollars, except per share data)	**2026**	2025
Operating cash flows before working capital	**40,877**	41,801
Changes in non-cash operating working capital	**10,136**	39,331
Net cash flows from operating activities	**51,013**	81,132
Net cash flows used in investing activities	**(542,358)**	(119,987)
Net cash flows from financing activities	**392,534**	99,624
Net increase (decrease) in cash	**(98,811)**	60,769
Effects of exchange rate changes on cash	**644**	(2,166)
Cash, beginning of the period	**296,788**	117,451
Cash, end of the period	**198,621**	176,054
Operating cash flow per share[1]	**0.09**	0.16

A. Operating

During the three-month period ended June 30, 2026, the Company generated operating cash flows of $40.9 million before changes in working capital items, comparable to $41.8 million for the same prior-year period. The changes in non-cash operating working capital increased cash flows from operating activities by $10.1 million during the period, mainly due to higher accounts payable and lower prepaid expenses and advances, partially offset by higher inventories. Year-to-date variations are more detailed in section 11 — Financial Position of this MD&A. The operating cash flow per share for the three-month period ended June 30, 2026, was $0.09[1], compared to $0.16[1] for the same prior-year period.

B. Investing

i. Purchase of Property, Plant and Equipment

	Three Months Ended June 30,	
(in thousands of dollars)	**2026**	2025
Tailings and water infrastructure	**20,821**	14,766
Stripping and mining activities	**21,636**	12,975
Tunnelling and underground infrastructure	**3,782**	—
Other sustaining capital expenditures	**31,965**	14,500
Sustaining Capital Expenditures	**78,204**	42,241
DRPF project	**14,218**	47,460
Other capital development expenditures	**8,499**	15,674
Purchase of Property, Plant and Equipment as per Cash Flows	**100,921**	105,375

Sustaining Capital Expenditures

The tailings-related investments for the three-month period ended June 30, 2026, were in line with QIO's long-term plan to support the LoM operations. As part of its ongoing tailings infrastructure monitoring and inspections, Champion remains committed to its safe tailings strategy and continues to implement its long-term investment plan at Bloom Lake. Tailings-related construction activities are typically conducted between May and November, when weather conditions are more favourable at Bloom Lake.

Stripping and mining activities for the three-month period ended June 30, 2026, included $17.8 million of mine development costs, comprising topographic and pre-cut drilling work, the details of which are contained in the Company's mine plan ($7.8 million for the same period in 2025). During the three-month period ended June 30, 2026, stripping and mining activities also included $3.8 million of capitalized stripping costs ($5.2 million for the same period in 2025).

Tunnelling and underground infrastructure expenditures are related to Rana Gruber and included ramp access and other underground infrastructure works.

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

10. Cash Flows (continued)

B. Investing (continued)

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

Sustaining Capital Expenditures (continued)

Other sustaining capital investments for the three-month period ended June 30, 2026, included expenditures related to mining equipment rebuild programs that are aligned with the Company's long-term investment strategy to support growth initiatives across the LoM.

DRPF Project

During the three-month period ended June 30, 2026, the Company spent $14.2 million in capital expenditures related to the DRPF project ($47.5 million, for the same prior-year period). The decrease primarily reflects the substantial completion of construction activities, with investments during the period mainly consisting of commissioning ramp-up activities. Cumulative investments totalled $493.7 million as at June 30, 2026. Refer to section 5 — DRPF Project Update of this MD&A.

Other Capital Development Expenditures

During the three-month period ended June 30, 2026, other capital development expenditures totalled $8.5 million ($15.7 million for the same period in 2025), and are detailed as follows:

	Three Months Ended June 30,	
(in thousands of dollars)	**2026**	2025
Infrastructure improvements and conformity (i)	**6,017**	3,019
Mine maintenance garage expansion	**—**	457
Deposits or final payment for mining equipment	**21**	6,219
Other (ii)	**2,461**	5,979
Other Capital Development Expenditures	**8,499**	15,674

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

(ii) Other expenditures included cash borrowing costs capitalized on the DRPF project and the construction of new ventilation shafts related to underground infrastructure at Rana Gruber.

ii. Other Main Investing Activities

During the three-month period ended June 30, 2026, the Company acquired Rana Gruber for a total consideration of $426.6 million (refer to section 2 — Rana Gruber Acquisition of this MD&A). In addition, during the three-month period ended June 30, 2026, the Company invested $1.9 million in exploration and evaluation assets ($8.8 million for the same prior-year period) and made advance payments of $11.7 million to third-party service providers for major replacement parts and asset improvement capital expenditures ($5.3 million for the same prior-year period).

C. Financing

During the three-month period ended June 30, 2026, in order to finance the Rana Gruber Acquisition, the Company issued ordinary shares for net proceeds of $134.6 million and entered into a new term loan of $209.1 million (US$150 million), before transaction costs. In addition, during the three-month period ended June 30, 2026, the Company drew $70.9 million under its long-term debt ($84.5 million for the same prior-year period) and repaid $23.0 million on its long-term debt and lease liabilities ($21.6 million for the same prior-year period). In the comparative period, the Company issued ordinary shares pursuant to the exercise of warrants for net proceeds of $36.8 million.

11. Financial Position

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

(in thousands of dollars)	**As at June 30, 2026**	As at March 31, 2026	Variance
Cash	**198,621**	296,788	(33)%
Receivables	**182,537**	179,652	2 %
Inventories	**373,786**	289,341	29 %
Other current assets	**65,360**	61,869	6 %
Total Current Assets	**820,304**	827,650	(1)%
Advance payments	**89,153**	80,368	11 %
Property, plant and equipment	**2,762,774**	2,322,105	19 %
Exploration and evaluation assets	**100,239**	98,370	2 %
Other non-current assets	**306,699**	168,768	82 %
Total Assets	**4,079,169**	3,497,261	17 %
Total Current Liabilities	**524,439**	318,744	65 %
Long-term debt	**1,194,101**	922,136	29 %
Lease liabilities	**120,235**	93,791	28 %
Provisions	**138,581**	131,873	5 %
Net deferred tax liabilities	**472,080**	400,483	18 %
Other non-current liabilities	**19,677**	95,975	(79)%
Total Liabilities	**2,469,113**	1,963,002	26 %
Total Equity	**1,610,056**	1,534,259	5 %
Total Liabilities and Equity	**4,079,169**	3,497,261	17 %

The changes in the consolidated statements of financial position are primarily attributable to the Rana Gruber Acquisition. The Company accounted for the Rana Gruber Acquisition as a business combination in accordance with IFRS 3 — Business Combinations, applying the acquisition method, which requires the recognition of all identifiable assets acquired and liabilities assumed at their fair values as at the acquisition date. Refer to note 3 to the Financial Statements for further details on the fair values recognized upon the Rana Gruber Acquisition.

Assets

The Company's cash balance on June 30, 2026, compared to the amount held on March 31, 2026, is detailed in section 10 — Cash Flows of this MD&A.

Receivables were mostly stable as at June 30, 2026, compared to March 31, 2026, as the inclusion of Rana Gruber's receivables offset the decrease in QIO's trade receivables, which reflected lower uncollected shipments at year-end.

The increase in inventories mainly reflected the inclusion of inventories acquired through the Rana Gruber Acquisition and higher QIO's inventory volumes, partially offset by lower QIO's inventory valuation.

Other non-current assets increased primarily due to the recognition of mining interests as part of the Rana Gruber Acquisition.

The additions to property, plant and equipment are detailed in section 10 — Cash Flows of this MD&A. The increase was also attributable to additional right-of-use assets related to Rana Gruber's operations.

Liabilities and Equity

During the period, the $68.6 million redemption obligation related to Nippon Steel's and Sojitz's put option to exit the Kami Partnership was reclassified as a current liability, resulting in an increase in current liabilities with a corresponding decrease in non-current liabilities. The remaining increase in current liabilities was mainly attributable to additional current lease liabilities related to Rana Gruber's operations and the dividend declared in May 2026 and payable in July 2025.

The increase in long-term debt was mainly attributable to the new term loan of US$150 million as part of the financing of the Rana Gruber Acquisition, the drawdown on the senior revolving credit facility, as well as an unrealized foreign exchange loss on long-term debt denominated in U.S. dollars.

11. Financial Position (continued)

Liabilities and Equity (continued)

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

Total equity increased by $75.8 million since the beginning of the financial year, primarily due to the issuance of the Company's ordinary shares to La Caisse as part of the financing of the Rana Gruber Acquisition, partially offset by the net loss for the period and the dividend declared in May 2026.

Liquidity

The Company expects to meet its cash requirements over the next 12 months from its existing cash balance, forecasted cash flows from operating activities, supported by approximately 2.0 million wmt of saleable iron ore concentrate inventories held by QIO and Rana Gruber as at June 30, 2026, and undrawn available credit facilities.

As at June 30, 2026, the Company held $198.6 million in cash and had $454.5 million in undrawn loans under the senior revolving facility for total available liquidity of $653.1 million[1].

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

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

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

12. Financial Instruments

The nature and extent of risks arising from the Company's financial instruments are summarized in note 26 to the audited consolidated financial statements for the financial year ended March 31, 2026.

13. Contingencies

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

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

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

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

Contractual Obligations and Commitments

The following table details the contractual maturities of the Company's liabilities segmented by period, including estimated future interest payments and future minimum payments of the commitments, as at June 30, 2026:

(in thousands of dollars)	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Accounts payable and other (excluding current portion of lease liabilities, cash-settled share-based payment liability and redemption obligation)	308,392	—	—	308,392
Long-term debt	147,437	746,390	826,141	1,719,968
Lease liabilities	42,050	94,154	69,997	206,201
Commitments as per note 23 to the Financial Statements	112,786	71,189	173,208	357,183
	610,665	911,733	1,069,346	2,591,744

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

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

Other Off-Balance Sheet Arrangements

As at June 30, 2026, the undrawn portion of the senior revolving facility is subject to standby commitment fees.

15. Material Judgments, Estimates and Assumptions

In relation to the Rana Gruber Acquisition, the Company made the following new judgments, estimates and assumptions.

Fair value measurement of assets acquired

The fair values of the material assets acquired were measured using the following valuation techniques:

Assets acquired	Valuation technique
Mining interests	For modelled mineralization considered in the life of mine, the valuation model was based on a discounted cash flow approach. For unmodelled mineralization, with a greater uncertainty regarding the mineralization, a market approach was used based on multiples of publicly-traded comparable companies.
Property, plant and equipment	The valuation model was based on the cost approach. Some assets were valued based on the current cost of identical physical assets derived using data directly from equipment manufacturers, vendors or other sources. Other assets were valued based on their replacement cost by indexing the historical capitalized cost on asset type and acquisition date.
Inventories	For stockpiled ore inventories, the fair value was determined using the net selling price of the iron ore concentrate expected to be produced from the stockpiled ore, less costs required to process the material to a saleable condition. For finished goods inventories, the fair value was determined using the net selling price of the underlying iron ore grades. Both net selling prices were based on quoted market price adjusted for freight and other costs.
Right-of-use assets	Right-of-use assets were measured at an amount equal to the corresponding lease liabilities, which were measured at the present value of the remaining lease payments as of the acquisition date, and discounted using an incremental borrowing rate determined for each lease based on the Company's credit risk profile and the remaining lease term.

The Company's other material accounting judgments, estimates and assumptions are summarized in note 2 to the audited consolidated financial statements for the financial year ended March 31, 2026.

16. New Accounting Amendments Issued and Adopted by the Company

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

17. New Accounting Standard Issued to Be Adopted at a Later Date

The new accounting standard issued but not yet in effect is disclosed in note 2 to the Financial Statements.

18. Related Parties

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

Key management personnel

The Company considers members of the Board and some of its senior officers to be key management personnel. Transactions with key management personnel are disclosed in note 29 to the audited consolidated financial statements for the financial year ended March 31, 2026. No significant changes occurred during the three-month period ended June 30, 2026.

Joint venture

The Company holds a 51% interest in the Kami Partnership since September 29, 2025, formed for the joint ownership and potential development of the Kami Project. Balances and transactions with the joint venture, accounted for using the equity method, are summarized below:

(in thousands of dollars)	**As at June 30, 2026**	As at March 31, 2026
Investment in a joint venture	**74,274**	73,124
Joint venture's contribution note	**53,706**	55,446
Other receivables (from a joint venture)	**492**	1,047

During the three-month period ended June 30, 2026, Champion invoiced management fees and other services to the Kami Partnership totalling $1.3 million, and recognized interest income of $0.4 million on restricted cash held within the joint venture for the Company's benefit.

The joint venture does not have any future minimum payments of commitments as at June 30, 2026.

19. Summary of Consolidated Quarterly Results

The following information is derived from and should be read in conjunction with the Financial Statements, the unaudited condensed interim consolidated financial statements for the previous quarters, and the audited annual consolidated financial statements for the financial year ended March 31, 2026.

	Q1 2027	Q4 2026	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
Operating Data								
Iron ore concentrates produced (thousands of wmt)	3,939	3,435	3,661	3,552	3,521	3,167	3,621	3,170
Iron ore concentrates sold (thousands of dmt)	3,339	3,455	3,895	3,851	3,832	3,495	3,287	3,266
Financial Data (in millions of dollars, except per share data)								
Revenues	356.9	414.5	472.3	492.9	390.0	425.3	363.2	351.0
Net income (loss)	(41.5)	23.2	65.0	56.8	23.8	39.1	1.7	19.8
Adjusted net income (loss)[1]	(35.2)	23.2	65.0	56.8	23.8	39.1	1.7	19.8
EBITDA[1]	32.8	114.3	152.4	174.8	57.8	127.4	88.2	74.5
Adjusted EBITDA[1]	32.8	114.3	152.4	174.8	57.8	127.4	88.2	74.5
Basic EPS	(0.07)	0.04	0.12	0.11	0.05	0.08	0.00	0.04
Adjusted EPS[1]	(0.06)	0.04	0.12	0.11	0.05	0.08	0.00	0.04
Diluted EPS	(0.07)	0.04	0.12	0.11	0.05	0.07	0.00	0.04
Net cash flows from (used in) operating activities	51.0	152.1	81.7	121.0	81.1	144.4	(6.4)	134.7
Statistics (in dollars per dmt sold)								
Gross average realized selling price[1]	158.7	165.1	162.9	157.5	146.0	160.4	158.8	161.8
Net average realized selling price[1]	106.9	120.0	121.3	128.0	101.8	121.7	110.5	107.5
C1 cash cost[1]	83.7	82.7	73.9	76.2	81.9	80.0	78.7	77.5
AISC[1]	111.3	96.9	89.7	96.9	96.2	93.1	93.9	101.4
Cash operating margin[1]	(4.4)	23.1	31.6	31.1	5.6	28.6	16.6	6.1
Statistics (in U.S. dollars per dmt sold)[2]								
Gross average realized selling price[1]	115.2	120.5	116.8	114.2	105.5	111.8	113.4	118.9
Net average realized selling price[1]	77.5	87.5	86.9	92.9	73.4	84.9	78.8	79.0
C1 cash cost[1]	60.5	60.3	53.0	55.3	59.2	55.7	56.3	56.8
AISC[1]	80.4	70.6	64.3	70.4	69.5	64.9	67.2	74.3
Cash operating margin[1]	(2.9)	16.9	22.6	22.5	3.9	20.0	11.6	4.7

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

20. Non-IFRS and Other Financial Measures

The Company has included certain non-IFRS financial measures, ratios and supplementary financial measures in this MD&A, as listed in the table below, to provide investors with additional information in order to help them evaluate the underlying performance of the Company. These measures are mainly derived from the Financial Statements but do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Management believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors with an improved ability to understand the results of the Company's operations. Non-IFRS and other financial measures should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. The exclusion of certain items from non-IFRS financial measures does not imply that these items are necessarily non-recurring. Mine performance measures should be read in conjunction with segmented information disclosed in note 25 of the Financial Statements.

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

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

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

EBITDA and EBITDA Margin

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

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

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

				Three Months Ended
	September 30,	December 31,	March 31,	**June 30,**
(in thousands of dollars)	2025	2025	2026	**2026**
Income (loss) before income and mining taxes	104,072	105,456	51,078	**(50,312)**
Net finance costs	25,643	2,101	19,733	**35,861**
Depreciation	45,108	44,851	43,529	**47,241**
EBITDA	174,823	152,408	114,340	**32,790**
Revenues	492,890	472,309	414,505	**356,876**
EBITDA margin	35%	32%	28%	**9%**

				Three Months Ended
	September 30,	December 31,	March 31,	June 30,
(in thousands of dollars)	2024	2024	2025	2025
Income before income and mining taxes	31,777	21,347	74,646	24,213
Net finance costs (income)	7,486	30,508	11,286	(13,256)
Depreciation	35,273	36,361	41,446	46,796
EBITDA	74,536	88,216	127,378	57,753
Revenues	350,980	363,170	425,345	390,027
EBITDA margin	21%	24%	30%	15%

Available Liquidity

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

	As at June 30,	As at March 31,
(in thousands of dollars)	**2026**	2026
Cash	**198,621**	296,788
Undrawn amounts under credit facilities	**454,516**	515,600
Available liquidity	**653,137**	812,388

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

Adjusted Net Income (Loss) and Adjusted EPS

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

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

				Three Months Ended
	September 30, 2025	December 31, 2025	March 31, 2026	**June 30, 2026**
(in thousands of dollars, except shares and per share data)				
Net income (loss)	56,794	64,972	23,186	**(41,528)**
Cash items				
Start-up costs	—	—	—	**6,551**
Purchase price allocation inventory adjustment				**2,865**
	—	—	—	**9,416**
Tax effect of adjustment listed above[1]	—	—	—	**(3,117)**
Adjusted net income (loss)	56,794	64,972	23,186	**(35,229)**
(in thousands)				
Weighted average number of ordinary shares outstanding — Basic	533,251	533,251	533,251	**557,102**
Adjusted EPS (in dollars)	0.11	0.12	0.04	**(0.06)**

				Three Months Ended
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
(in thousands of dollars, except shares and per share data)				
Net income	19,807	1,741	39,140	23,784
Adjusted net income	19,807	1,741	39,140	23,784
(in thousands)				
Weighted average number of ordinary shares outstanding — Basic	518,111	518,251	518,251	522,702
Adjusted EPS (in dollars)	0.04	0.00	0.08	0.05

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

C1 Cash Cost per dmt sold and All-in Sustaining Cost per dmt sold (continued)

C1 cash cost and AISC per dmt sold are common non-IFRS financial performance measures used in the iron ore mining industry. The Company believes these measures provide useful information to investors and management in evaluating operating cost performance and the cost competitiveness of its mining operations. Management uses C1 cash cost and AISC per mine to evaluate the operating performance of each reportable segment. These measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

C1 cash cost reflects the costs associated with producing and selling iron ore concentrate, including mining, processing, mine site general and administrative expenses, and rail and port operating costs. Depreciation and start-up costs are excluded from the calculation, as well as purchase price allocation inventory adjustments, as it reflects the fair value step-up of inventories recognized as part of a business combination and is not representative of the underlying operating cost of producing and selling iron ore concentrates.

The Company believes that AISC provides a more comprehensive view of the total cost associated with producing iron ore concentrate, as it incorporates the sustaining expenditures required to maintain current operations. Consolidated AISC is calculated as C1 cash cost plus sustaining capital expenditures, including deferred stripping costs, and general and administrative expenses, divided by iron ore concentrate sold. As AISC is intended to reflect the cost of current operations, it excludes expenditures related to development projects, mine expansions and studies intended to increase production capacity or extend mine life, as well as innovation and growth initiatives, income and mining taxes, working capital movements, net finance costs and other income or expenses. Purchase of property, plant and equipment as per the consolidated statements of cash flows are classified into sustaining capital expenditures, DRPF project and other capital development expenditures. Sustaining capital expenditures are defined as capital expenditures to sustain or maintain the existing assets to achieve operations as per the mine plan, from which future economic benefits will be derived. Refer to section 10 — Cash Flows of this MD&A. AISC per mine does not include general and administrative expenses as Management analyzes them as corporate expenses for the group.

				Three Months Ended
	September 30, 2025	December 31, 2025	March 31, 2026	**June 30, 2026**
Iron ore concentrates sold (dmt)	3,850,900	3,895,300	3,455,400	**3,339,000**
(in thousands of dollars, except per dmt data)				
Cost of sales	293,398	287,712	285,785	**288,751**
Less: Purchase price allocation inventory adjustment	—	—	—	**(2,865)**
Less: Start-up costs	—	—	—	**(6,551)**
C1 cash cost (in $)	293,398	287,712	285,785	**279,335**
C1 cash cost (per dmt sold)	76.2	73.9	82.7	**83.7**
Sustaining capital expenditures	69,910	46,956	31,162	**78,204**
General and administrative expenses	9,894	14,744	17,836	**14,185**
AISC (in $)	373,202	349,412	334,783	**371,724**
AISC (per dmt sold)	96.9	89.7	96.9	**111.3**

				Three Months Ended
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Iron ore concentrates sold (dmt)	3,265,700	3,287,400	3,495,300	3,831,800
(in thousands of dollars, except per dmt data)				
Cost of sales	252,960	258,728	279,644	313,928
C1 cash cost (per dmt sold)	77.5	78.7	80.0	81.9
Sustaining capital expenditures	65,919	38,193	33,230	42,241
General and administrative expenses	12,114	11,813	12,457	12,581
AISC (in $)	330,993	308,734	325,331	368,750
AISC (per dmt sold)	101.4	93.9	93.1	96.2

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

C1 Cash Cost per dmt sold and All-in Sustaining Cost per dmt sold (continued)

	Three Months Ended June 30, 2026			Three Months Ended June 30, 2025		
	Bloom Lake	**Rana Gruber**	**Consolidated**	**Bloom Lake**	**Rana Gruber**	**Consolidated**
Iron ore concentrates sold (dmt)	3,128,800	210,200	3,339,000	3,831,800	—	3,831,800
Iron ore concentrates produced (dmt)	3,437,500	364,700	3,802,200	3,412,300	—	3,412,300
(in thousands of dollars, except per ton amount)						
Mining and processing costs	187,287	31,237	218,524	183,217	—	183,217
Change in iron ore concentrate inventories	(22,028)	(13,450)	(35,478)	37,539	—	37,539
Land transportation and port handling costs	95,694	595	96,289	93,172	—	93,172
Purchase price allocation inventory adjustment	—	2,865	2,865	—	—	—
Start-up costs	6,551	—	6,551	—	—	—
Cost of sales (in $)	**267,504**	**21,247**	**288,751**	**313,928**	**—**	**313,928**
Less: Purchase price allocation inventory adjustment	—	(2,865)	(2,865)	—	—	—
Less: Start-up costs	(6,551)	—	(6,551)	—	—	—
Total cash cost (in $)	**260,953**	**18,382**	**279,335**	**313,928**	**—**	**313,928**
Add: Sustaining capital expenditures	65,696	12,508	78,204	42,241	—	42,241
Add: General and administrative expenses	—	—	14,185	—	—	12,581
AISC (in $)	**326,649**	**30,890**	**371,724**	**356,169**	**—**	**368,750**
Mining and processing costs (per dmt produced)	54.5	85.7	57.5	53.7	—	53.7
Land transportation and port handling costs (per dmt sold)	30.6	2.8	28.8	24.3	—	24.3
Total cash cost (per dmt sold)	83.4	87.5	83.7	81.9	—	81.9
AISC (per dmt sold)	104.4	147.0	111.3	93.0	—	96.2

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

Cash Operating Margin per dmt sold and Cash Profit Margin

Cash operating margin per dmt sold is used by Management to better understand the iron ore concentrate margin realized throughout a period. Cash operating margin represents the net average realized selling price per dmt sold less AISC per dmt sold. Cash profit margin represents the cash operating margin per dmt sold divided by the net average realized selling price per dmt sold. A negative cash operating margin indicates that realized selling prices were insufficient to cover sustaining costs during the period.

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

				Three Months Ended
	September 30, 2025	December 31, 2025	March 31, 2026	**June 30, 2026**
Iron ore concentrates sold (dmt)	3,850,900	3,895,300	3,455,400	**3,339,000**
(in thousands of dollars, except per dmt data)				
Revenues	492,890	472,309	414,505	**356,876**
Net average realized selling price (per dmt sold)	128.0	121.3	120.0	**106.9**
AISC (per dmt sold)	96.9	89.7	96.9	**111.3**
Cash operating margin (per dmt sold)	31.1	31.6	23.1	**(4.4)**
Cash profit margin	24%	26%	19%	**(4)%**

				Three Months Ended
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Iron ore concentrates sold (dmt)	3,265,700	3,287,400	3,495,300	3,831,800
(in thousands of dollars, except per dmt data)				
Revenues	350,980	363,170	425,345	390,027
Net average realized selling price (per dmt sold)	107.5	110.5	121.7	101.8
AISC (per dmt sold)	101.4	93.9	93.1	96.2
Cash operating margin (per dmt sold)	6.1	16.6	28.6	5.6
Cash profit margin	6%	15%	24%	6%

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

Gross Average Realized Selling Price per dmt sold

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

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

				Three Months Ended
	September 30, 2025	December 31, 2025	March 31, 2026	**June 30, 2026**
Iron ore concentrates sold (dmt)	3,850,900	3,895,300	3,455,400	**3,339,000**
(in thousands of dollars, except per dmt data)				
Revenues	492,890	472,309	414,505	**356,876**
Provisional pricing adjustments	(40,935)	(4,373)	299	**6,205**
Freight and other costs	154,436	166,539	155,844	**166,982**
Gross revenues	606,391	634,475	570,648	**530,063**
Gross average realized selling price (per dmt sold)	157.5	162.9	165.1	**158.7**

				Three Months Ended
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Iron ore concentrates sold (dmt)	3,265,700	3,287,400	3,495,300	3,831,800
(in thousands of dollars, except per dmt data)				
Revenues	350,980	363,170	425,345	390,027
Provisional pricing adjustments	22,947	17,407	(5,389)	26,552
Freight and other costs	154,425	141,568	140,627	142,687
Gross revenues	528,352	522,145	560,583	559,266
Gross average realized selling price (per dmt sold)	161.8	158.8	160.4	146.0

21. Share Capital Information

The Company's share capital consists of ordinary shares without par value. As of July 29, 2026, there were 560,046,922 ordinary shares issued and outstanding and 11,063,567 restricted share units, deferred share units and performance share units issued under the Company's Omnibus Incentive Plan.

22. Risk Factors

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

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

Refer to the section entitled "Risk Factors" in the Company's MD&A for the financial year ended March 31, 2026, available on the ASX at www.asx.com.au, SEDAR+ at www.sedarplus.ca and the Company's website at www.championiron.com to see the principal risk factors that apply to the Company and that may have a material adverse effect on its business, operating results and financial condition and for information about the Company's exposure to each of the described risks. In addition, Champion is subject to risks and uncertainties associated with the recent acquisition of Rana Gruber, including risks related to the integration of operations, systems, processes and personnel, as well as the risk that the anticipated benefits of the Rana Gruber Acquisition may not be realized within the expected timeframe or at all.

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

Disclosure Controls and Procedures

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

i. material information relating to the Company is made known to Management by others, particularly during the period in which the annual filings are being prepared; and
ii. information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal Control over Financial Reporting

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

There have been no changes in the Company's ICFR that occurred during the period beginning on April 1, 2026, and ended on June 30, 2026, which have materially affected or are reasonably likely to materially affect the Company's ICFR.

Management has limited the scope of the design of disclosure controls and procedures and ICFR to exclude the controls, policies and procedures of Rana Gruber, acquired on April 10, 2026. The scope limitation is in accordance with Section 3.3 of National Instrument 52-109 — C*ertification of Disclosure in Issuers' Annual and Interim Filings*, which allows an issuer to limit design of DC&P and ICFR to exclude the controls, policies and procedures of a business acquired not more than 365 days before the end of the financial period to which the certificate relates. For summary financial information about Rana Gruber, including total assets and revenues, refer to the results of the Rana Gruber Mining Operations segment presented in note 25 to the Financial Statements.

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

24. Approval

The Board oversees Management's responsibility for financial reporting and internal control systems through its Audit Committee. The Audit Committee meets quarterly with Management and with the Company's independent auditors to review the scope and results of the annual audit and quarterly reviews, as applicable, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board and publicly released. The Board has approved the Financial Statements and the disclosure contained in this MD&A as of July 30, 2026.

25. Nature of Securities

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

26. Additional Information

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