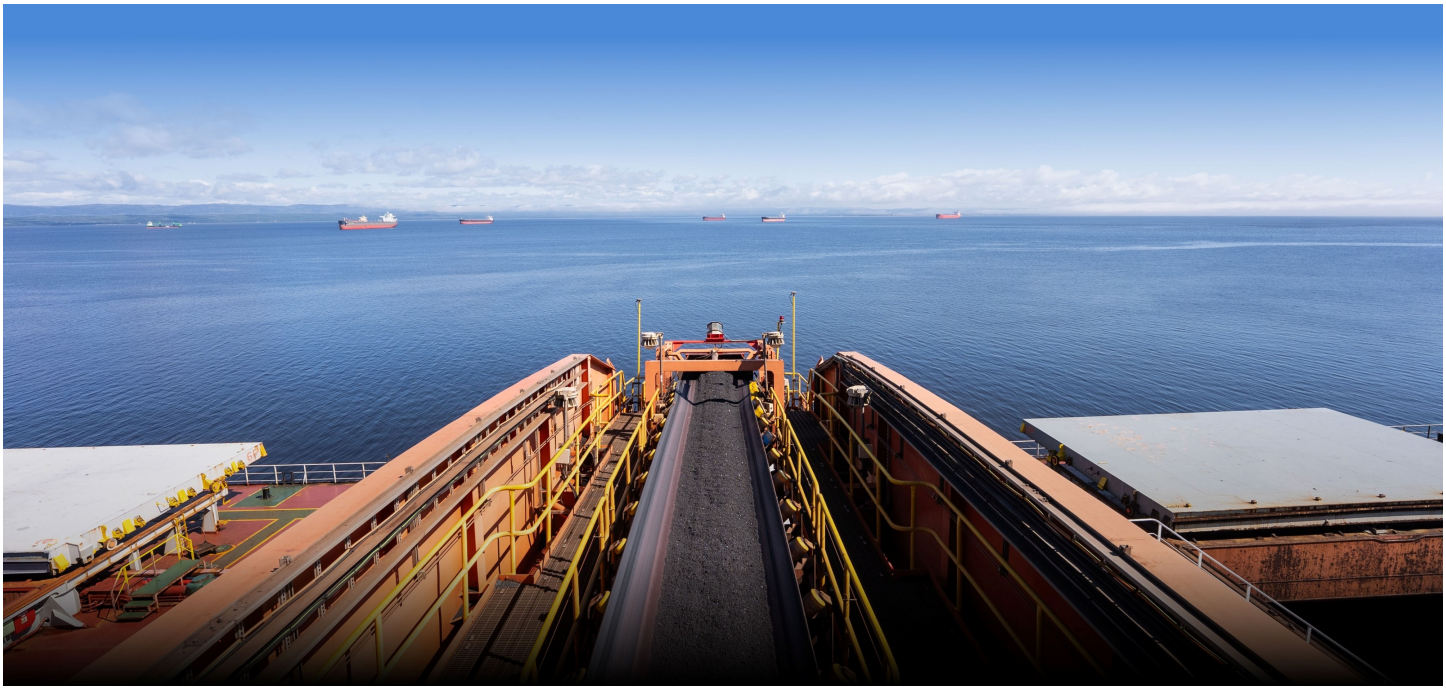


Management's Discussion and Analysis

For the Three and Six-Month Periods Ended September 30, 2026

CHAMPION IRON

ASX: CIA — TSX: CIA

As at October 29, 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 October 29, 2026, and is intended to supplement the condensed interim consolidated financial statements of the Company for the three and six-month periods ended September 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 EBITDA and adjusted 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, commercial production, the confirmation of DRPF product quality, expected test-cargoes 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 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, tailings investment plan and 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 sustaining capital expenditures, other capital development expenditures and DRPF ramp-up costs, capital repayments related to lease liabilities and long-term debt, and mining and income taxes, the Company's positioning to fund such cash requirements, including through operational optimization initiatives, cost reduction efforts, potential adjustments to capital expenditure programs and operating plans and potential additional sources of liquidity, 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;

Cautionary Note Regarding Forward-Looking Statements (continued)

Specific Forward-Looking Statements (continued)

(xxiv) the Company's strategic and growth initiatives and opportunities generally, including that such initiatives are subject to market conditions and funding capabilities, and their potential to optimize shareholder returns, unlock value for stakeholders and reinforce the Company's leadership in the high-purity iron ore industry;

(xxv) the Company's compliance with the covenants under its credit facilities, the temporary covenant relief, enhanced covenant flexibility, amendments and waivers obtained under its credit facilities;

(xxvi) the Company's dividend policy, including the targeted distribution of 30% to 40% of trailing six-month free cash flows, and the declaration and payment of future dividends;

(xxvii) the Partners' options to exit the Kami Partnership, the related redemption obligation and the impact thereof on the Company's liquidity;

(xxviii) the Company's hedging activities and derivative instruments, including foreign exchange forward contracts entered into by QIO;

(xxix) the impact of the conflict in the Middle East, trade policy measures (including the European Union's safeguard framework and carbon border adjustment mechanism) and other geopolitical developments on iron ore demand and prices, freight and fuel costs and the Company's operations; and

(xxx) the Company's operational optimization and cost reduction initiatives and their expected benefits, and the prioritization of exploration programs.

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, including the conflict in the Middle East; (xiv) the effects of catastrophes and public health crises on the global economy, the iron ore market and Champion's operations; (xv) the Company's ability to comply with the covenants under its credit facilities, the expiry of temporary covenant relief and the Company's ability to obtain further amendments, waivers or additional financing on acceptable terms or at all; (xvi) the ability of the DRPF project to consistently produce product meeting customer quality specifications and the acceptance of DRPF product by customers; (xvii) trade policies, tariffs, safeguard measures and carbon border adjustment mechanisms; (xviii) fluctuations in foreign exchange rates and the effectiveness of, and counterparty risk under, the Company's hedging arrangements; (xix) the exercise by the Partners of their options to exit the Kami Partnership; and (xx) risks relating to the integration of Rana Gruber and the realization of the anticipated benefits of the Rana Gruber Acquisition, 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 or the listing rules of any stock exchange on which the Company's securities are listed, including the Company's continuous disclosure obligations under the ASX Listing Rules and applicable Canadian securities laws. 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 15 million 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 has completed the construction of the DRPF project, which is designed to upgrade up to half of Bloom Lake's mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe, and is currently progressing through its commissioning and ramp-up phase. 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 1.8 million 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 operating both an underground mine and a nearby open pit. 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 and completed the compulsory acquisition of the remaining shares in April 2026, resulting in 100% ownership (the "Rana Gruber Acquisition"). 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. Additional details on the Rana Gruber Acquisition are provided in note 3 to the Financial Statements.

3. Consolidated Financial and Operating Highlights

	Three Months Ended September 30,			Six Months Ended September 30,		
	2026	2025	Variance	**2026**	2025	Variance
Iron ore concentrates produced (wmt)	**3,872,500**	3,551,600	9%	**7,811,900**	7,072,200	10%
Iron ore concentrates sold (dmt)	**4,494,100**	3,850,900	17%	**7,833,100**	7,682,700	2%
Financial Data (in thousands of dollars, except per share data)						
Revenues	**403,932**	492,890	(18%)	**760,808**	882,917	(14%)
Net income (loss)	**(48,355)**	56,794	(185%)	**(89,883)**	80,578	(212%)
Adjusted net income (loss)[1]	**(34,264)**	56,807	(160%)	**(40,225)**	80,591	(150%)
EBITDA[1]	**3,656**	174,823	(98%)	**36,446**	232,576	(84%)
EBITDA margin[1]	**1 %**	35 %	(97%)	**5 %**	26 %	(81%)
Adjusted EBITDA[1]	**23,265**	174,836	(87%)	**101,606**	232,589	(56%)
Adjusted EBITDA margin[1]	**6 %**	35 %	(83%)	**13 %**	26 %	(50%)
Basic EPS	**(0.09)**	0.11	(182%)	**(0.16)**	0.15	(207%)
Adjusted EPS[1]	**(0.06)**	0.11	(155%)	**(0.07)**	0.15	(147%)
Net cash flows from operating activities	**82,363**	121,024	(32%)	**133,376**	202,156	(34%)
Dividend per ordinary share paid	**0.02**	0.10	(80%)	**0.02**	0.10	(80%)
Cash	**214,357**	325,504	(34%)	**214,357**	325,504	(34%)
Total assets	**4,026,716**	3,438,350	17%	**4,026,716**	3,438,350	17%
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**147.8**	157.5	(6%)	**152.5**	151.7	1%
Net average realized selling price[1]	**89.9**	128.0	(30%)	**97.1**	114.9	(15%)
C1 cash cost[1]	**82.9**	76.2	9%	**83.2**	79.1	5%
AISC[1]	**97.9**	96.9	1%	**103.6**	96.6	7%
Cash operating margin[1]	**(8.0)**	31.1	(126%)	**(6.5)**	18.3	(136%)
Statistics (in U.S. dollars per dmt sold)[2]						
Gross average realized selling price[1]	**105.5**	114.2	(8%)	**109.6**	109.9	—%
Net average realized selling price[1]	**64.0**	92.9	(31%)	**69.7**	83.2	(16%)
C1 cash cost[1]	**59.2**	55.3	7%	**59.8**	57.3	4%
AISC[1]	**70.0**	70.4	(1%)	**74.4**	70.0	6%
Cash operating margin[1]	**(6.0)**	22.5	(127%)	**(4.7)**	13.2	(136%)

[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. Consolidated Quarterly Highlights

Operations and Sustainability

- No serious workplace injuries and no significant environmental incidents were reported during the three-month period ended September 30, 2026;
- Quarterly production totalled 3.9 million wmt of high-purity iron ore concentrates for the three-month period ended September 30, 2026, up 9% over the same prior-year period, attributable to the contribution from Rana Gruber (0.5 million wmt), partially offset by the lower production volumes at Bloom Lake (3.3 million wmt) which were impacted by inefficiencies created by the DRPF commissioning activities, consistent with management's expectations for the commissioning period;
- Record consolidated quarterly sales of 4.5 million dmt of high-purity iron ore concentrates for the three-month period ended September 30, 2026, an increase of 17% over the same prior-year period, driven by strong sales volumes at Bloom Lake (3.9 million dmt) and from Rana Gruber (0.6 million dmt), resulting in lower inventory levels across both operations; and
- Completed the inaugural commercial shipment of DRPF product during the quarter, secured additional test-cargoes and commercial agreements for shipments scheduled for the third quarter of the 2027 financial year and continued to advance discussions with prospective customers. While DRPF production volumes remained comparable quarter-over-quarter, average product quality continued to improve towards the project's target specifications.

Financial Results

- Financial results for the quarter continued to be impacted by lower iron ore indexes, higher ocean freight rates and elevated fuel prices, partly resulting from the conflict in the Middle East, as well as DRPF start-up costs;
- Revenues of $403.9 million for the three-month period ended September 30, 2026, compared to $492.9 million for the same period in 2025, attributable to lower net realized selling prices reflecting recently depressed iron ore and freight market conditions, partially offset by higher sales volumes;
- C1 cash cost for the iron ore concentrates loaded onto vessels totalled $82.9/dmt[1] (US$59.2/dmt)[2] for the three-month period ended September 30, 2026, up from $76.2/dmt[1] (US$55.3/dmt)[2] for the same period in 2025. C1 cash cost for the period continued to be affected by elevated fuel prices impacting mining operations, the transition toward DRPF production and its higher processing costs, and lower production volumes at Bloom Lake over which to amortize fixed costs;
- Net loss totalled $48.4 million (adjusted net loss of $34.3 million[1]) for the three-month period ended September 30, 2026, representing a $0.09 loss per share (adjusted loss per share of $0.06[1]), compared to net income of $56.8 million (adjusted net income of $56.8 million[1]) and EPS of $0.11 (adjusted EPS of 0.11[1]) for the same period in 2025. In addition to the gross loss, which included DRPF project start-up costs of $6.9 million and inventory valuation adjustments of $4.8 million related to the Rana Gruber Acquisition, the net loss for the period was also impacted by unfavourable fair value adjustments of $0.8 million on derivative instruments;
- EBITDA of $3.7 million[1] (adjusted EBITDA of $23.3 million[1]) for the three-month period ended September 30, 2026, down from $174.8 million[1] (adjusted EBITDA of $174.8 million[1]) for the same period in 2025. Adjusted EBITDA excludes several items, including DRPF start-up costs of $6.9 million, inventory valuation adjustments of $4.8 million related to the Rana Gruber Acquisition and $7.9 million unrealized fair value losses on derivative instruments;
- Net cash flows from operating activities totalled $82.4 million for the three-month period ended September 30, 2026, compared to $121.0 million for the same period in 2025, primarily reflecting lower gross profit, partially offset by favourable changes in non-cash operating working capital;
- Cash balance, excluding the unused portion of the initial cash contributions from Nippon Steel and Sojitz that are held by the Kami Partnership, totalled $214.4 million as at September 30, 2026, an increase of $15.7 million since June 30, 2026. This primarily reflects robust sales volumes, including the destocking of iron ore inventories, and strong cash collections, partially offset by sustaining capital expenditures; and
- Available liquidity of $618.4 million[1] as at September 30, 2026, compared to $653.1 million[1] as at June 30, 2026.

[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 the Company believes may attract a pricing premium over its high-purity 66.2% Fe iron ore concentrate, although there can be no assurance as to the level or timing of any such premium. Construction of the DRPF project was completed within the recently estimated $500 million budget, with cumulative investments of $497.0 million as at September 30, 2026, and only operational ramp-up costs are anticipated to be incurred going forward.

The project achieved a key commissioning milestone in March 2026 with the successful completion of initial production tests, marking the first tonnes of DR quality iron ore pellet feed production. During the three-month period ended September 30, 2026, average product quality continued to improve towards the project's target specifications while commissioning activities progressed as planned, positioning the Company to achieve commercial production toward the end of the current financial year.

The integration of the DRPF project and its ramp-up toward commercial production capacity over the coming months may continue to affect operational efficiencies at Bloom Lake and influence the timing of iron ore shipments in future periods. Accordingly, the Company continues to evaluate and optimize its iron ore inventory management strategies, which may include product blending and the short-term stockpiling of different iron ore concentrate qualities. Until Champion consistently delivers a DRPF product that meets customer quality specifications, a portion of production may be sold into the spot market. Additionally, existing commercial commitments for Bloom Lake's high-purity iron ore concentrate will influence the sequencing of DR quality iron ore production and sales volumes. Accordingly, the Company does not expect to fully benefit from DRPF premiums or freight savings during the ramp-up period.

During the three-month period ended September 30, 2026, the Company completed its inaugural commercial shipment of DR quality iron ore, marking an important milestone in the commercialization of the DRPF project. The Company confirmed additional test-cargoes and commercial agreements for shipment during the third quarter of the 2027 financial year and continues to advance discussions with other prospective customers.

6. Key Drivers

Iron Ore Concentrate Price

The price of iron ore concentrate is a critical factor influencing the Company's financial performance and is influenced by market factors beyond the Company's control. Due to the high-purity properties of its iron ore products, the Company's sales are primarily linked to the P65 index, which has historically attracted a premium over the P61 index (formerly, the P62 index), reflecting the productivity and emissions-reduction benefits associated with higher-grade iron ore products. A smaller portion of Champion's sales is priced based on the P61 index and other commercial contracts not linked to primary iron ore indices.

During the three-month period ended September 30, 2026, the P65 index averaged US$112.8/dmt, representing a decrease of 4% year-over-year and 7% quarter-over-quarter. Iron ore prices remained resilient through the first half of the quarter, extending the strength observed in preceding months. Iron ore prices held within a narrow range throughout the period, underpinned by persistent cost inflation, as elevated bunker and fuel prices arising from the conflict in the Middle East continued to inflate landed costs across the industry. The seaborne market remained well supplied, with Brazilian iron ore export volumes near the upper end of their historical seasonal range, Australian shipments remaining at elevated levels and West African output continuing to ramp up. Set against this, Chinese hot metal output remained below previous-year levels, apparent steel consumption contracted and the share of profitable mills declined markedly as raw material costs outpaced steel prices. State-directed procurement in China remained a feature of the market, with purchasing restrictions and outstanding term settlements adding uncertainty to seaborne trade flows and pricing. In parallel, iron ore port inventories in China eased modestly but remained well above seasonal historical averages.

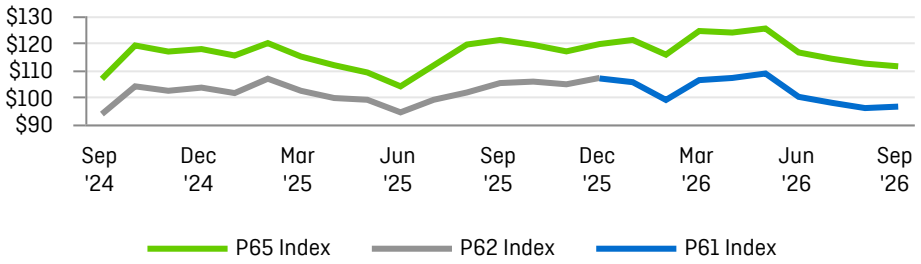
According to the World Steel Association[1], global crude steel production declined by 0.6% year-over-year for the three-month period ended September 30, 2026, totalling 436.1 million tonnes. China accounted for most of the decline, with output down 2.9% year-over-year since the beginning of the year as new property starts fell sharply and infrastructure investment slowed while discipline remained a policy priority. Middle Eastern output recorded the steepest regional decline, reflecting conflict-related disruptions, while production growth in India, the United States and South Korea partially offset these decreases. Meanwhile, the European Union's revised safeguard framework took effect on July 1, 2026, halving the duty-free import quota and doubling the out-of-quota tariff to 50%. Combined with the carbon border adjustment mechanism, these measures supported regional prices, margins and output, primarily by displacing imports rather than through a recovery in end-use demand, with construction and industrial activity still lagging.

[1] World Steel Association

6. Key Drivers (continued)

Iron Ore Concentrate Price (continued)

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 September 30, 2026, subject to movements in iron ore prices for the provisionally priced sales volume:

	As at September 30, 2026
Dry metric tonnes subject to provisional pricing adjustments	**3,416,200**
(in thousands of U.S. dollars)	
10% increase in iron ore prices	**35,323**
10% decrease in iron ore prices	**(35,323)**

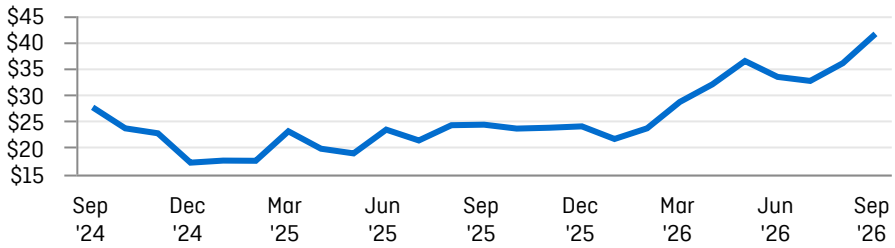
These sensitivities demonstrate the monetary impact on gross revenues in U.S. dollars resulting from a 10% increase and 10% decrease in gross realized selling prices as at September 30, 2026, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore 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 most iron ore concentrates are sold to overseas markets. The C3 index, which measures freight rates between Tubarao (Brazil) and Qingdao (China), is the primary benchmark used to assess ocean freight costs in the iron ore market. Since no equivalent index exists for the routes between the Company's operating mines and end markets, Champion's freight costs are primarily derived from the C3 index and adjusted for customer destinations, seasonality and other market factors. As a result, realized freight costs are generally higher than the C3 index and may also be impacted by seasonal ice premiums, particularly during the fourth financial quarter.

When contracting vessels on the spot market, Champion typically 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.

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



6. Key Drivers (continued)

Sea Freight (continued)

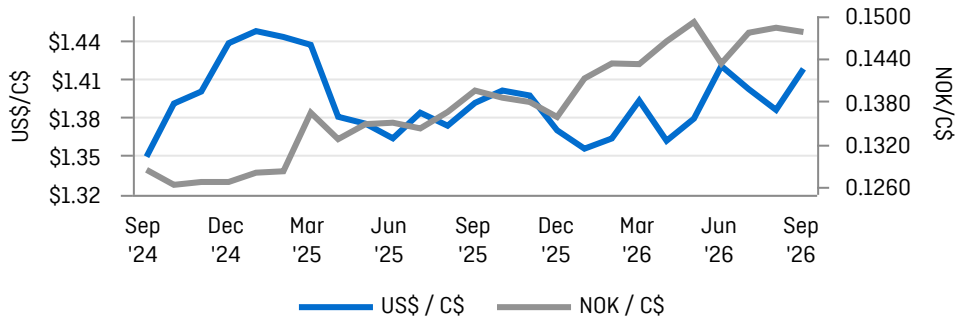
During the three-month period ended September 30, 2026, the C3 index averaged US$36.8/t, up 57% year-over-year and 8% quarter-over-quarter. The increase was driven by tonne-mile demand as much as by cost inflation. Robust Brazilian iron ore exports and rising West African iron ore and bauxite shipments tightened Capesize tonnage supply in the Atlantic basin, while coal mine closures in China increased seaborne coal import requirements. The Middle East conflict continued to drive bunker fuel costs higher, while typhoon-related port congestion in the Pacific and an elevated sequence of aging vessels requiring dry docking further reduced effective tonnage availability. As a result, the spread between the C3 and other freight routes widened materially year-over-year, increasing the share of freight in the Company's delivered price in China.

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, foreign exchange fluctuations also result in non-cash revaluation adjustments, impacting 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



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	**1.3993**	1.3773	**1.4188**	1.3921	**0.1473**	N/A	**0.1478**	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 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.

6. Key Drivers (continued)

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, and the matters described in section 11 — Financial Position (including under "Liquidity") of this MD&A, 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 September 30,			Six Months Ended September 30,		
	2026	2025	Variance	**2026**	2025	Variance
Consolidated Financial Data (in thousands of dollars)						
Revenues	**403,932**	492,890	(18)%	**760,808**	882,917	(14)%
Cost of sales	**384,118**	293,398	31 %	**672,869**	607,326	11 %
Other operating expenses	**17,329**	21,648	(20)%	**38,503**	40,360	(5)%
Net finance costs	**15,485**	25,643	(40)%	**51,346**	12,387	315 %
Other income (expenses)	**1,805**	(3,021)	(160)%	**(11,766)**	(2,655)	343 %
Net income (loss)	**(48,355)**	56,794	(185)%	**(89,883)**	80,578	(212)%
EBITDA[1]	**3,656**	174,823	(98)%	**36,446**	232,576	(84)%
Adjusted EBITDA[1]	**23,265**	174,836	(87)%	**101,606**	232,589	(56)%
Consolidated Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**147.8**	157.5	(6)%	**152.5**	151.7	1 %
Net average realized selling price[1]	**89.9**	128.0	(30)%	**97.1**	114.9	(15)%
C1 cash cost[1]	**82.9**	76.2	9 %	**83.2**	79.1	5 %
AISC[1]	**97.9**	96.9	1 %	**103.6**	96.6	7 %
Cash operating margin[1]	**(8.0)**	31.1	(126)%	**(6.5)**	18.3	(136)%

A. Consolidated Revenues

	Three Months Ended September 30,			Six Months Ended September 30,		
	2026	2025	Variance	**2026**	2025	Variance
Indexes (in U.S. dollars per tonne)						
P61 (previously P62 in calendar 2025)	**96.9**	102.0	(5)%	**101.0**	100.0	1 %
P65	**112.8**	117.4	(4)%	**117.2**	113.0	4 %
C3	**36.8**	23.4	57 %	**35.4**	22.2	59 %
Statistics (in dollars per dmt sold)[2]						
Gross average realized selling price[1]	**105.5**	114.2	(8)%	**109.6**	109.9	— %
Freight and other costs	**(40.4)**	(29.1)	39 %	**(38.7)**	(28.0)	38 %
Provisional pricing adjustments	**(1.1)**	7.8	(114)%	**(1.2)**	1.3	(192)%
US$ Net average realized FOB selling price[1]	**64.0**	92.9	(31)%	**69.7**	83.2	(16)%
C$ Net average realized FOB selling price[1]	**89.9**	128.0	(30)%	**97.1**	114.9	(15)%

[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.

7. Financial and Operating Performance (continued)

A. Consolidated Revenues (continued)

Second Quarter of the 2027 Financial Year vs. Second Quarter of the 2026 Financial Year

Revenues totalled $403.9 million for the three-month period ended September 30, 2026, down $89.0 million from $492.9 million in the same prior-year period, despite the contribution of $54.3 million from Rana Gruber's operations. The decrease in Bloom Lake revenues was attributable to lower net realized selling prices, reflecting elevated C3 index and lower iron ore indexes, as well as less favourable provisional pricing adjustments, compared to the same period in 2025.

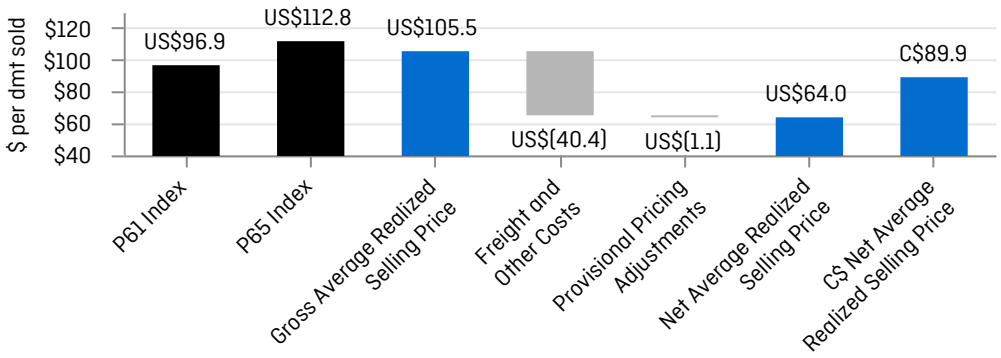
For the three-month period ended September 30, 2026, the gross average realized selling price of US$105.5/dmt[1] was below the P65 index average price of US$112.8/dmt. The 3.4 million dmt of iron ore sold that remained subject to pricing adjustments as at September 30, 2026, were evaluated using a weighted average forward selling price of US$103.4/dmt, which was lower than the P65 index average price for the period. The discount to the P65 index also reflected continued exposure to short-term and spot market sales at discounted pricing during Bloom Lake's transition to higher-purity DR quality iron ore products. This was partially offset by Bloom Lake's concentrate sales priced using backward-looking mechanisms, where applicable index prices were above the P65 index average price of the period.

Freight and other costs totalled US$40.4/dmt during the three-month period ended September 30, 2026, representing a 39% increase compared to US$29.1/dmt in the same prior-year period. While the C3 index increased significantly during the quarter, the Company's freight and other costs rose at a slower pace, reflecting its vessel booking strategy and the benefit of favourable freight rates secured under fixed-price contracts for a portion of the sales volumes, at below prevailing market levels. The rise in the C3 index, driven in part by the ongoing conflict in the Middle East outlined in section 6 — Key Drivers, is expected to continue impacting Champion's net revenues in future months, as most vessels are booked three to five weeks prior to the desired laycan period.

During the three-month period ended September 30, 2026, an average final price of US$108.1/dmt was established for the 2.1 million dmt of iron ore concentrates sold that were subject to provisional pricing adjustments as at June 30, 2026, which were previously evaluated using an average estimated price of US$110.4/dmt. Accordingly, negative provisional pricing adjustments of $6.5 million (US$4.8 million) were recorded on tonnes subject to provisional pricing as at June 30, 2026, representing a negative impact of US$1.1/dmt for the 4.5 million dmt sold during the quarter.

After taking into account sea freight and other costs of US$40.4/dmt and the negative provisional pricing adjustments of US$1.1/dmt, the Company obtained a net average realized selling price of US$64.0/dmt[2] (C$89.9/dmt[1]) for its high-purity iron ore concentrates shipped during the three-month period ended September 30, 2026.

Q2 FY2027 Net Average Realized Selling Price



[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.

7. Financial and Operating Performance (continued)

A. Consolidated Revenues (continued)

First Six Months of the 2027 Financial Year vs. First Six Months of the 2026 Financial Year

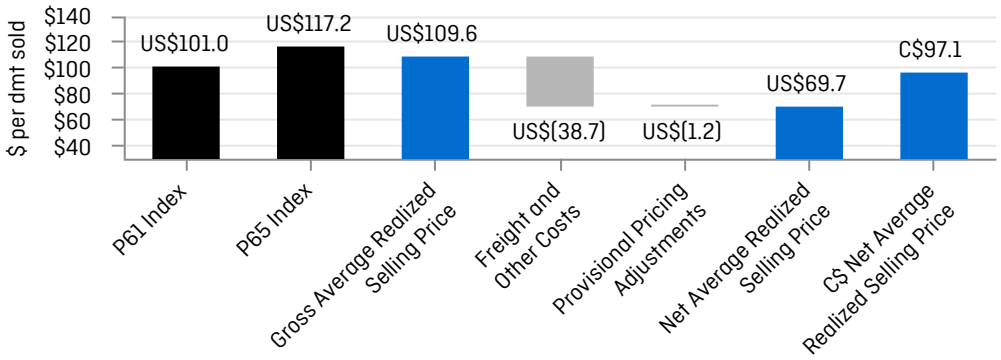
Revenues totalled $760.8 million for the six-month period ended September 30, 2026, including $78.2 million from Rana Gruber following the completion of its acquisition in April 2026. This represented a decrease of $122.1 million, compared to revenues of $882.9 million in the corresponding prior-year period, primarily reflecting lower net realized selling prices and reduced Bloom Lake sales volumes. The prior-year period benefited from a significant reduction in stockpiled iron ore concentrate inventories which supported higher sales volumes.

The Company sold its product at a gross average realized selling price of US$109.6/dmt[1] for the six-month period ended September 30, 2026, below the P65 index average price of US$117.2/dmt for the period. As part of the planned transition toward commercializing a higher purity DRPF product, Champion reduced the volume of iron ore concentrate sold under long-term sales contracts, retaining a greater proportion of its iron ore concentrate production for short-term and spot markets, where pricing has been more volatile and discounts have been more pronounced.

Freight and other costs for the six-month period ended September 30, 2026, totalled US$38.7/dmt, an increase of 38% compared to the previous year. This increase was lower than the year-over-year rise in the average C3 index, reflecting favourable pricing under fixed-price contracts entered into during the previous calendar year, as well as the positive impact of backward-looking pricing mechanisms.

After accounting for sea freight and other costs of US$38.7/dmt and negative provisional pricing adjustments of US$1.2/dmt, the Company achieved a net average realized selling price of US$69.7/dmt[2] (C$97.1/dmt)[1] for its high-purity iron ore concentrates sold during the period.

FY2027 Net Realized Selling Price



[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.

7. Financial and Operating Performance (continued)

B. Bloom Lake Mine Results

Bloom Lake conducts scheduled maintenance on both plants in the second and fourth financial quarters, which may create significant quarter-over-quarter variances in production output and mining and processing costs.

	Three Months Ended September 30,			Six Months Ended September 30,		
	2026	2025	Variance	**2026**	2025	Variance
Mine Operating Data						
Iron ore concentrates sold (dmt)	**3,907,100**	3,850,900	1 %	**7,035,900**	7,682,700	(8)%
High-purity hematite iron ore concentrate produced (wmt)	**2,726,500**	3,551,600	(23)%	**5,645,400**	7,072,200	(20)%
DRPF project hematite produced (wmt)	**597,200**	—	— %	**1,225,500**	—	— %
Iron ore concentrate produced (wmt)	**3,323,700**	3,551,600	(6)%	**6,870,900**	7,072,200	(3)%
Iron ore concentrate produced (dmt)	**3,222,000**	3,442,300	(6)%	**6,659,500**	6,854,600	(3)%
Waste mined and hauled (wmt)	**11,882,800**	12,888,300	(8)%	**21,976,200**	23,851,900	(8)%
Ore mined and hauled (wmt)	**9,830,400**	10,016,000	(2)%	**19,546,700**	20,086,700	(3)%
Material mined and hauled (wmt)	**21,713,200**	22,904,300	(5)%	**41,522,900**	43,938,600	(5)%
Stripping ratio	**1.21**	1.29	(6)%	**1.12**	1.19	(6)%
Ore milled (wmt)	**9,301,800**	9,967,600	(7)%	**19,373,500**	20,468,300	(5)%
Head grade Fe (%)	**30.3**	29.6	2 %	**29.9**	28.9	3 %
Fe recovery (%)	**78.2**	79.6	(2)%	**78.6**	78.9	— %
Weighted average products Fe (%)	**66.7**	66.5	— %	**66.6**	66.4	— %
Mine Selected Financial Data (in thousands of dollars)						
Revenues	**349,624**	492,890	(29)%	**682,604**	882,917	(23)%
Cost of sales	**329,231**	293,398	12 %	**596,735**	607,326	(2)%
Gross profit (loss)	**(27,300)**	155,012	(118)%	**108**	184,906	(100)%
Mine Selected Statistics (in dollars per dmt)						
Net average realized selling price (per dmt sold)[1]	**89.5**	128.0	(30)%	**97.0**	114.9	(16)%
Mining and processing costs (per dmt produced)[1]	**60.5**	52.9	14 %	**57.4**	53.3	8 %
Land transportation and port handling costs (per dmt sold)[1]	**24.1**	24.4	(1)%	**27.0**	24.3	11 %
C1 cash costs (per dmt sold)[1]	**82.5**	76.2	8 %	**82.9**	79.1	5 %
AISC (per dmt sold)[1]	**94.4**	94.3	— %	**98.9**	93.6	6 %

Second Quarter of the 2027 Financial Year vs. Second Quarter of the 2026 Financial Year

i. Operating Performance

Bloom Lake produced 3.3 million wmt of high-purity iron ore concentrates during the three-month period ended September 30, 2026, a decrease of 6% compared to 3.6 million wmt produced during the same period in 2025, reflecting inefficiencies from the ongoing commissioning of the DRPF project. Quarterly production included 0.6 million wmt of concentrate produced through the DRPF project, comparable quarter-over-quarter, with average product quality progressively improving towards targeted purity specifications in accordance with the commissioning process. As a result, the weighted average product grade increased to 66.7% Fe from 66.5% Fe year-over-year. During the three-month period ended September 30, 2026, the Fe recovery rate decreased to 78.2% from 79.6% for the same period in 2025, primarily attributable to higher iron ore losses to tailings associated with DRPF operations.

Iron ore concentrate sales volumes exceeded production, with 3.9 million dmt sold during the three-month period ended September 30, 2026, as Bloom Lake recovered from shipment delays experienced in the previous quarter caused by the DRPF project commissioning activities. As a result, inventories of iron ore concentrates at Bloom Lake and at the Port of Sept-Îles decreased to 1.0 million wmt as at September 30, 2026, compared to 1.7 million wmt as at June 30, 2026. As Bloom Lake advances the commissioning of the DRPF project, it continues to optimize its inventory management strategies to manage different iron ore concentrate qualities and enhance production and sales logistics.

[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)

Second Quarter of the 2027 Financial Year vs. Second Quarter of the 2026 Financial Year (continued)

i. Operating Performance (continued)

During the three-month period ended September 30, 2026, Bloom Lake mined and hauled 21.7 million wmt of waste and ore, compared to 22.9 million wmt in the same prior-year period. The stripping ratio for the three-month period ended September 30, 2026, was 1.21, consistent with its LoM plan, compared to a 1.29 ratio recorded in the same prior-year period.

ii. Financial Performance

The cost of sales associated with Bloom Lake operations totalled $329.2 million, compared to $293.4 million for the same period in 2025. For the three-month period ended September 30, 2026, mining and processing costs totalled $60.5/dmt produced[1], representing a 14% increase, compared to $52.9/dmt produced[1] in the same prior-year period, primarily attributable to higher fuel prices arising from the conflict in the Middle East, the transition toward DRPF production and its higher processing costs, and lower production volumes over which to amortize fixed costs. 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. For the three-month period ended September 30, 2026, these costs totalled $24.1/dmt sold[1], consistent with the prior-year period, due to similar 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 $82.5/dmt[1], compared to $76.2/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.

Gross loss totalled $27.3 million during the three-month period ended September 30, 2026, compared to gross profit of $155.0 million for the same period in 2025. This gross loss was mainly attributable to lower net realized selling prices combined with higher cost of sales, resulting in lower gross margins on each tonne sold.

AISC totalled $94.4/dmt[1] for the three-month period ended September 30, 2026, in line with the same prior-year period as higher cash costs were offset by lower sustaining capital expenditures, reflecting the phasing of infrastructure-related investments and the optimization of capital allocation in response to current market conditions.

First Six Months of the 2027 Financial Year vs. First Six Months of the 2026 Financial Year

i. Operating Performance

Bloom Lake produced 6.9 million wmt of high-purity iron ore concentrates during the six-month period ended September 30, 2026, representing a decrease of 3% compared to the previous year, primarily attributable to anticipated DRPF project commissioning activities. Production benefited from a Fe recovery rate of 78.6% for the six-month period ended September 30, 2026, compared to 78.9% in the previous year. The iron ore head grade was 29.9% for the six-month period ended September 30, 2026, consistent with the LoM head grade average and up from the previous year's 28.9% head grade average.

Sales volumes reached 7.0 million dmt for the six-month period ended September 30, 2026, representing a decrease of 8% compared to the previous year, as the prior-year period benefited from strong sales volumes supported by the drawdown of stockpiled inventory.

Bloom Lake mined and hauled 41.5 million wmt of material during the six-month period ended September 30, 2026, compared to 43.9 million wmt in the corresponding prior-year period, consistent with the execution of the LoM plan. This resulted in a stripping ratio of 1.12 for the six-month period ended September 30, 2026, down from a stripping ratio of 1.19 recorded for the same period in the previous year.

ii. Financial Performance

For the six-month period ended September 30, 2026, the cost of sales of Bloom Lake totalled $596.7 million with a C1 cash cost of $82.9/dmt[1], compared to $607.3 million with a C1 cash cost of $79.1/dmt[1] for the previous year. Mining and processing costs for the 6.7 million dmt produced in the six-month period ended September 30, 2026, totalled $57.4/dmt produced[1], compared to $53.3/dmt produced[1] in the previous year, mainly reflecting higher fuel and explosives prices. Land transportation and port handling costs for the six-month period ended September 30, 2026, were $27.0/dmt sold[1], compared to $24.3/dmt sold[1] for the previous year. This increase was mainly due to lower sales volumes which negatively impacted fixed port handling costs at the Sept-Îles port yard facilities, and volume discounts from lower tonnage hauled. The C1 cash cost was also impacted by changes in iron ore concentrate inventory valuation, which incorporate mining and processing costs from the previous quarters, along with variations in production and sales volumes.

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7. Financial and Operating Performance (continued)

B. Bloom Lake Mine Results (continued)

First Six Months of the 2027 Financial Year vs. First Six Months of the 2026 Financial Year (continued)

Gross profit totalled $0.1 million during the six-month period ended September 30, 2026, compared to $184.9 million for the same period in 2025, mainly due to lower sales volumes, lower net realized selling prices and higher cash costs.

AISC totalled $98.9/dmt[1] for the six-month period ended September 30, 2026, compared to $93.6/dmt[1] for the same prior-year period. The increase in AISC mostly reflected higher cash costs, lower sales volumes and higher sustaining capital expenditures, primarily attributable to stripping and mining activities and overhaul expenditures on mining equipment. The timing of planned sustaining activities for the current financial year also resulted in a higher proportion of expenditures being incurred in the first half of the financial year.

C. Rana Gruber Mine Results

Comparisons of unit costs across Champion's operating segments should be interpreted in the context of distinct production methods, processing operations and logistics infrastructure associated with each site.

At Bloom Lake, the distance between the mine site and the Port of Sept-Îles results in transportation and handling costs being incurred primarily during the haulage of iron ore concentrates and are therefore categorized as land transportation and port handling costs.

At Rana Gruber, the proximity of the processing facility to the port means that a greater proportion of handling costs are incurred prior to the production of iron ore concentrates and are included in mining and processing costs, while land transportation costs are limited due to the significantly shorter rail haulage distance, compared to Bloom Lake.

The following Rana Gruber results have been consolidated since the acquisition date in April 2026, and accordingly year-to-date results represent less than a full six-month period of operations.

	Three Months Ended September 30,	Six Months Ended September 30,
	2026	**2026**
Mine Operating Data		
Iron ore concentrates sold (dmt)	**587,000**	**797,200**
Hematite iron ore concentrate produced (wmt)	**477,200**	**814,700**
Magnetite iron ore concentrate produced (wmt)	**71,600**	**126,300**
Iron ore concentrates produced (wmt)	**548,800**	**941,000**
Iron ore concentrates produced (dmt)	**507,700**	**872,400**
Underground waste mined and hauled (including tunnelling) (wmt)	**113,400**	**215,000**
Underground ore mined and hauled (including tunnelling) (wmt)	**755,800**	**1,349,200**
Total underground and open pit material mined and hauled (wmt)	**2,011,400**	**4,247,700**
Open-pit stripping ratio	**1.59**	**1.81**
Ore milled (wmt)	**1,346,700**	**2,364,900**
Head grade Fe (%)	**32.8**	**32.3**
Fe recovery (%)	**76.3**	**75.9**
Weighted average products Fe (%)	**65.0**	**65.1**
Mine Selected Financial Data (in thousands of dollars)		
Revenues	**54,308**	**78,204**
Cost of sales	**54,887**	**76,134**
Gross loss	**(11,502)**	**(17,491)**
Mine Selected Statistics (in dollars per dmt)		
Net average realized selling price (per dmt sold)[1]	**92.5**	**98.1**
Mining and processing costs (per dmt produced)[1]	**67.9**	**75.3**
Land transportation and port handling costs (per dmt sold)[1]	**1.6**	**1.9**
C1 cash costs (per dmt sold)[1]	**85.3**	**85.8**
AISC (per dmt sold)[1]	**97.1**	**110.2**

[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)

C. Rana Gruber Mine Results (continued)

Second Quarter of the 2027 Financial Year vs. Second Quarter of the 2026 Financial Year

i. Operating Performance

Rana Gruber produced 0.5 million wmt of high-purity iron ore concentrates at a weighted average grade of 65.0% Fe during the three-month period ended September 30, 2026. Production during the quarter benefited from higher mill throughput of 1.3 million wmt following the annual maintenance shutdown completed in June 2026, together with a higher head grade of 32.8% Fe and Fe recovery of 76.3%.

Iron ore concentrates sales totalled 0.6 million dmt during the quarter, exceeding production levels, primarily due to the timing of shipments and the reduction of magnetite inventories. As a result, inventories of iron ore concentrates decreased to 0.3 million wmt as at September 30, 2026, from 0.4 million wmt as at June 30, 2026.

ii. Financial Performance

During the three-month period ended September 30, 2026, cost of sales totalled $54.9 million, while C1 cash cost amounted to $85.3/dmt sold[1], lower than the previous quarter. Cost of sales for the period included mining and processing costs of $34.5 million, land transportation and port handling costs of $0.9 million, a $14.6 million change in iron ore concentrates inventories and a purchase price allocation inventory adjustment of $4.8 million. Mining and processing costs totalled $67.9/dmt produced[1] and benefited from higher production levels, improved control over consumable usage and ongoing cost optimization efforts. These favourable impacts were partially offset by persistently higher diesel and explosives prices during the quarter. Land transportation and port handling costs totalled $1.6/dmt sold[1] and benefited from a one-time reimbursement resulting from the resolution of historical public railway fee claims. 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 $11.5 million during the three-month period ended September 30, 2026, as the positive impact of higher sales volumes was more than offset by lower realized selling prices resulting from downward pressure on iron ore index prices and higher transportation costs driven by continued increases in fuel rates. Gross loss was also impacted by the purchase price allocation inventory adjustment of $4.8 million.

AISC totalled $97.1/dmt[1] for the three-month period ended September 30, 2026, significantly lower than in the previous quarter, mainly attributable to lower sustaining capital expenditures and the positive impact of higher sales volumes.

First Six Months of the 2027 Financial Year vs. First Six Months of the 2026 Financial Year

i. Operating Performance

Rana Gruber produced 0.9 million wmt of high-purity iron ore concentrates at a weighted average grade of 65.1% Fe since the acquisition date in April 2026. When adjusted to reflect a full six-month period of operations, production was in line with Rana Gruber's nameplate capacity. Production benefited from stable mill throughput of 2.4 million wmt at a weighted average head grade of 32.3% Fe and Fe recovery of 75.9%. Iron ore concentrates sold totalled 0.8 million dmt since the acquisition date and were generally in line with production levels.

ii. Financial Performance

Cost of sales totalled $76.1 million since the acquisition date while C1 cash cost totalled $85.8/dmt sold[1]. C1 cash cost excludes $7.7 million of inventory adjustments made as part of the purchase price allocation, as outlined above. Mining and processing costs totalled $65.7 million or $75.3/dmt produced[1] and were impacted by 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. Land transportation and port handling costs totalled $1.5 million or $1.9/dmt sold[1], consistent with historical performance and management expectations. Cost of sales also includes a $1.2 million change in iron ore concentrates inventories.

Gross loss totalled $17.5 million during the six-month period ended September 30, 2026, primarily attributable to continued pressure on iron ore and freight index prices, the product mix of hematite and magnetite sold during the period, and the purchase price allocation inventory adjustment of $7.7 million.

AISC totalled $110.2/dmt[1] for the six-month period ended September 30, 2026, reflecting a high level of sustaining capital expenditure attributable to the development of an additional underground mining level, including related infrastructure, and other mine development activities, partially offset by the positive impact of sales volumes.

[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)

D. Other Operating Expenses

	Three Months Ended September 30,			Six Months Ended September 30,		
(in thousands of dollars)	**2026**	2025	Variance	**2026**	2025	Variance
Share-based payments	**(3,485)**	4,618	(175)%	**(6,175)**	4,301	(244)%
General and administrative expenses	**14,114**	9,894	43 %	**28,299**	22,475	26 %
Sustainability and other community expenses	**5,149**	4,893	5 %	**10,195**	9,470	8 %
Innovation and growth initiative expenses	**1,551**	2,243	(31)%	**6,184**	4,114	50 %
	17,329	21,648	(20)%	**38,503**	40,360	(5)%

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

The increase in general and administrative expenses for the three and six-month periods ended September 30, 2026, was mainly attributable to the inclusion of Rana Gruber's results following the acquisition in April 2026. The increase in sustainability and community-related expenses for the three and six-month periods ended September 30, 2026, was mainly attributable to annual price indexation. Innovation and growth initiative expenses decreased for the three-month period ended September 30, 2026, mainly due to cost reduction initiatives implemented during the quarter, while the increase for the six-month period was driven by legal and consultant fees incurred in connection with the Rana Gruber Acquisition.

E. Net Finance Costs

	Three Months Ended September 30,			Six Months Ended September 30,		
(in thousands of dollars)	**2026**	2025	Variance	**2026**	2025	Variance
Interest expense on long-term debt	**13,141**	10,756	22 %	**26,140**	16,933	54 %
Standby commitment fees on long-term debt	**512**	782	(35)%	**1,108**	1,405	(21)%
Interest expense on lease liabilities	**2,300**	1,540	49 %	**4,619**	2,988	55 %
Interest income	**(1,297)**	(2,923)	(56)%	**(4,134)**	(3,941)	5 %
Other finance costs	**2,080**	3,322	(37)%	**4,345**	5,326	(18)%
	16,736	13,477	24 %	**32,078**	22,711	41 %
Realized and unrealized foreign exchange loss (gain)	**(1,251)**	12,166	(110)%	**19,268**	(10,324)	(287)%
	15,485	25,643	(40)%	**51,346**	12,387	315 %

Second Quarter of the 2027 Financial Year vs. Second Quarter of the 2026 Financial Year

Excluding foreign exchange gains or losses, net finance costs increased to $16.7 million for the three-month period ended September 30, 2026, compared to $13.5 million for the same period in 2025. Higher interest expenses on long-term debt were mainly associated with a higher debt balance, and higher interest expenses on lease liabilities were primarily attributable to the lease liabilities acquired through Rana Gruber.

The foreign exchange gain of $1.3 million for the three-month period ended September 30, 2026, was mainly attributable to the revaluation of net monetary liabilities denominated in U.S. dollars.

First Six Months of the 2027 Financial Year vs. First Six Months of the 2026 Financial Year

Excluding foreign exchange gains or losses, net finance costs increased to $32.1 million for the six-month period ended September 30, 2026, compared to $22.7 million for the previous year. This increase was primarily driven by higher interest expenses, with a higher debt balance during the year, partially offset by higher capitalization of borrowing costs related to the construction of the DRPF infrastructure. During the six-month period ended September 30, 2026, borrowing costs of $19.1 million were capitalized, compared to $15.1 million for the previous year, reflecting the construction progress of the project and the build-up of qualifying assets.

The foreign exchange loss of $19.3 million for the six-month period ended September 30, 2026, mainly resulted from the revaluation of net monetary liabilities denominated in U.S. dollars, with the depreciation of the Canadian dollar against the U.S. dollar as at September 30, 2026, compared to March 31, 2026.

7. Financial and Operating Performance (continued)

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% to 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 and six-month periods ended September 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 and six-month periods ended September 30, 2026, current income and mining tax recoveries totalled $36.3 million and $31.0 million, respectively, compared to expenses of $10.4 million and $18.8 million, respectively, for the same periods in 2025. Changes in income and mining tax expense were mainly attributable to the change in taxable income (loss) and the withholding tax paid on the lower dividend received from QIO. With a net receivable 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 $18.8 million during the six-month period ended September 30, 2026, the Company had net income and mining taxes receivable of $50.9 million as at September 30, 2026.

During the three and six-month periods ended September 30, 2026, the Company recognized deferred income and mining tax expenses of $13.7 million and a recovery of $0.4 million, respectively, compared to expenses of $36.9 million and $28.9 million, respectively, for the same periods 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 32% and 26%, respectively, for the three and six-month periods ended September 30, 2026, compared to 45% and 37%, respectively, for the previous year. The effective tax rate for the six-month 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 & Adjusted EBITDA

Second Quarter of the 2027 Financial Year vs. Second Quarter of the 2026 Financial Year

For the three-month period ended September 30, 2026, the Company generated a net loss of $48.4 million (loss per share of $0.09), compared to net income of $56.8 million (EPS of $0.11) for the same prior-year period. These decreases in net results were mainly attributable to a lower gross profit, partially offset by lower income and mining taxes, a lower foreign exchange loss on net monetary liabilities denominated in foreign currencies, as well as a share-based payment decrease. The lower gross result for the three-month period ended September 30, 2026, included DRPF start-up costs of $6.9 million and inventory valuation adjustments in relation to the Rana Gruber Acquisition of $4.8 million.

For the three-month period ended September 30, 2026, the Company generated EBITDA of $3.7 million[1], representing an EBITDA margin of 1%[1], compared to $174.8 million[1], representing an EBITDA margin of 35%[1], for the same period in 2025. Lower EBITDA and EBITDA margins were mainly driven by lower net realized selling prices and higher cash costs, partially offset by higher sales volumes.

For the three-month period ended September 30, 2026, adjusted EBITDA totalled $23.3 million[1], compared to $174.8 million[1], for the same prior-year period.

First Six Months of the 2027 Financial Year vs. First Six Months of the 2026 Financial Year

For the six-month period ended September 30, 2026, the Company recorded a net loss of $89.9 million (loss per share of $0.16), compared to net income of $80.6 million (EPS of $0.15) for the same prior-year period. These decreases were mainly due to lower gross profit, an unrealized foreign exchange loss of $16.0 million on net monetary liabilities denominated in foreign currencies, as well as unfavourable fair value adjustments of $18.4 million on derivative instruments, partially offset by lower income and mining taxes and a share-based payment decrease.

For the six-month period ended September 30, 2026, the Company generated EBITDA of $36.4 million[1], representing an EBITDA margin of 5%[1], compared to $232.6 million[1], representing an EBITDA margin of 26%[1], for the same period in 2025. These decreases in EBITDA and EBITDA margin were mainly attributable to lower net realized selling prices, higher cash costs and unfavourable fair value adjustments on derivative instruments.

For the six-month period ended September 30, 2026, adjusted EBITDA totalled $101.6 million[1], compared to $232.6 million[1], for the same prior-year period.

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7. Financial and Operating Performance (continued)

H. All-in Sustaining Cost & Cash Operating Margin

Second Quarter of the 2027 Financial Year vs. Second Quarter of the 2026 Financial Year

During the three-month period ended September 30, 2026, the Company realized an AISC of $97.9/dmt[1], compared to $96.9/dmt[1] in the same period in 2025, as lower sustaining capital expenditures at Bloom Lake, combined with higher volumes of iron ore concentrates sold, partially offset the rise in cash costs.

The Company generated a negative cash operating margin of $8.0/dmt[1] for each tonne of high-purity iron ore concentrate sold during the three-month period ended September 30, 2026, compared to a positive cash operating margin of $31.1/dmt[1] for the same prior-year period. This decrease was mainly due to a lower net average realized selling price with an AISC remaining relatively stable year-over-year.

First Six Months of the 2027 Financial Year vs. First Six Months of the 2026 Financial Year

During the six-month period ended September 30, 2026, the Company recorded an AISC of $103.6/dmt[1], compared to $96.6/dmt[1] for the previous year. The increase in AISC reflected higher cost of sales, sustaining capital expenditures and general and administrative expenses.

The Company generated a negative cash operating margin of $6.5/dmt[1] for the six-month period ended September 30, 2026, compared to a positive cash operating margin of $18.3/dmt[1] for the previous year. This decrease was due to lower net average realized selling prices and higher AISC for the period.

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 9.0 million wmt[2] 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 remain subject to the completion of a DFS, 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 September 30, 2026, DFS-related exploration and engineering work was completed with economic evaluation and analysis progressing toward completion. The Kami Partnership remains engaged with various levels of government regarding potential support for the development of the project and continues to evaluate opportunities to enhance the Kami Project's economics. Additionally, consultations with First Nations communities in Labrador regarding impact and benefit agreements are ongoing. Consistent with Champion's disciplined approach to evaluate growth opportunities while managing financial leverage, the Kami Project and other growth initiatives are subject to market conditions and funding capabilities.

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.

[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] The production target was first reported in the Company's ASX announcement dated March 15, 2024. The Company confirms that all the material assumptions underpinning the production target in that announcement continue to apply and have not materially changed.

9. Exploration Activities

During the three and six-month periods ended September 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 and six-month periods ended September 30, 2026, $3.8 million and $5.7 million in exploration and evaluation expenditures were incurred, respectively, compared to $6.4 million and $15.2 million, respectively, for the same prior-year periods. 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. The decrease also reflects ongoing cost reduction initiatives across the organization, as well as the prioritization of certain exploration programs given the current market conditions.

Exploration and evaluation expenditures were incurred and carried out in Canada in the provinces of 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 September 30,		Six Months Ended September 30,	
(in thousands of dollars, except per share data)	**2026**	2025	**2026**	2025
Operating cash flows before working capital	**27,457**	163,016	**68,334**	204,817
Changes in non-cash operating working capital	**54,906**	(41,992)	**65,042**	(2,661)
Net cash flows from operating activities	**82,363**	121,024	**133,376**	202,156
Net cash flows used in investing activities	**(88,112)**	(119,599)	**(630,470)**	(239,586)
Net cash flows from financing activities	**20,456**	144,119	**412,990**	243,743
Net increase (decrease) in cash	**14,707**	145,544	**(84,104)**	206,313
Effects of exchange rate changes on cash	**1,029**	3,906	**1,673**	1,740
Cash, beginning of the period	**198,621**	176,054	**296,788**	117,451
Cash, end of the period	**214,357**	325,504	**214,357**	325,504
Operating cash flow per share[1]	**0.15**	0.23	**0.24**	0.38

A. Operating

During the three-month period ended September 30, 2026, the Company generated operating cash flows of $27.5 million before changes in working capital items, compared to operating cash flows of $163.0 million for the same prior-year period, reflecting lower EBITDA and lower current income and mining taxes. The changes in non-cash operating working capital increased cash flows from operating activities by $54.9 million during the period, mainly due to lower receivables from strong collection efforts and lower inventories, partially offset by lower accounts payable and higher income tax receivable. The operating cash flow per share for the three-month period ended September 30, 2026, was $0.15[1], compared to $0.23[1] for the same prior-year period.

During the six-month period ended September 30, 2026, the Company's operating cash flows before working capital items totalled $68.3 million, compared to $204.8 million for the previous year, mostly driven by lower EBITDA and lower current income and mining taxes. The changes in non-cash operating working capital positively impacted operating cash flows by $65.0 million due to lower trade receivables, partially offset by higher income tax receivable. Year-to-date variations are detailed in section 11 — Financial Position of this MD&A. The operating cash flow per share for the six-month period ended September 30, 2026, totalled $0.24[1], compared to $0.38[1] for the previous year.

[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

i. Purchase of Property, Plant and Equipment

	Three Months Ended September 30,		Six Months Ended September 30,	
(in thousands of dollars)	**2026**	2025	**2026**	2025
Tailings and water infrastructure	**14,823**	23,481	**35,644**	38,247
Stripping and mining activities	**24,583**	18,739	**46,219**	31,714
Tunnelling and underground infrastructure	**4,712**	—	**8,494**	—
Other sustaining capital expenditures	**9,502**	27,690	**41,467**	42,190
Sustaining Capital Expenditures	**53,620**	69,910	**131,824**	112,151
DRPF project	**3,244**	20,614	**17,462**	68,074
Other capital development expenditures	**25,754**	22,675	**34,253**	38,349
Purchase of Property, Plant and Equipment as per Cash Flows	**82,618**	113,199	**183,539**	218,574

Sustaining Capital Expenditures

The tailings-related investments for the three and six-month periods ended September 30, 2026, were consistent with QIO's long-term plan to support LoM operations. Champion continues to prioritize tailings safety through ongoing infrastructure monitoring and inspections, while advancing its long-term investment plan at Bloom Lake. Tailings-related construction activities are typically undertaken between May and November, when weather conditions are more favourable at Bloom Lake.

Stripping and mining activities for the three and six-month periods ended September 30, 2026, included $15.8 million and $33.6 million, respectively, of mine development costs, comprising topographic and pre-cut drilling work, the details of which are contained in the Company's mine plan ($7.3 million and $15.1 million, respectively, for the same periods in 2025). During the three and six-month periods ended September 30, 2026, stripping and mining activities also included $8.8 million and $12.7 million, respectively, of capitalized stripping costs ($11.4 million and $16.6 million, respectively, for the same periods in 2025).

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

Other sustaining capital investments for the three and six-month periods ended September 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 and six-month periods ended September 30, 2026, the Company spent $3.2 million and $17.5 million, respectively, in capital expenditures related to the DRPF project ($20.6 million and $68.1 million, respectively, for the same prior-year periods). The decrease primarily reflects the substantial completion of construction activities, with year-to-date investments mainly consisting of commissioning and ramp-up activities. Cumulative investments totalled $497.0 million as at September 30, 2026. Refer to section 5 — DRPF Project Update of this MD&A.

Other Capital Development Expenditures

During the three and six-month periods ended September 30, 2026, other capital development expenditures totalled $25.8 million and $34.3 million, respectively ($22.7 million and $38.3 million, respectively, for the same periods in 2025) and are detailed as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
(in thousands of dollars)	**2026**	2025	**2026**	2025
Infrastructure improvements and conformity (i)	**1,727**	12,172	**7,744**	15,191
Mine maintenance garage expansion	**—**	—	**—**	457
Deposits or final payments for mining equipment	**11,325**	9,404	**11,346**	15,623
Other (ii)	**12,702**	1,099	**15,163**	7,078
Other Capital Development Expenditures	**25,754**	22,675	**34,253**	38,349

(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's mine site.

10. Cash Flows (continued)

B. Investing (continued)

ii. Other Main Investing Activities

During the six-month period ended September 30, 2026, the Company completed the Rana Gruber Acquisition for a total consideration of $426.6 million (refer to section 2 — Rana Gruber Acquisition of this MD&A).

During the three and six-month periods ended September 30, 2026, the Company invested $3.8 million and $5.7 million, respectively, in exploration and evaluation assets ($6.4 million and $15.2 million, respectively, for the same prior-year periods) and made advance payments of $1.1 million and $12.8 million, respectively, to third-party service providers for major replacement parts and asset improvement capital expenditures ($0.1 million and $5.4 million, respectively, for the same prior-year periods).

C. Financing

During the six-month period ended September 30, 2026, the Company financed the Rana Gruber Acquisition through the issuance of ordinary shares for net proceeds of $134.6 million, and a new term loan of $209.1 million (US$150 million). Transaction costs of $6.4 million were incurred in connection with the new term loan and amendments to the revolving credit facility. In the same period last year, the Company issued ordinary shares pursuant to the exercise of warrants for net proceeds of $36.8 million. During the three and six-month periods ended September 30, 2026, the Company returned $11.2 million to shareholders through a dividend payment, compared with $53.3 million in each of the corresponding prior-year periods.

During the three and six-month periods ended September 30, 2026, in addition to the new term loan outlined above, the Company made an additional net drawdown of $39.8 million and $103.0 million, respectively, under its long-term debt (net repayment of $8.8 million and net drawdown of $57.4 million, respectively, for the same prior-year periods) and made payments on lease liabilities of $8.2 million and $16.1 million, respectively ($4.2 million and $7.5 million, respectively, for the same prior-year periods). On July 2, 2025, Champion issued US$500 million in Senior Unsecured Notes for net proceeds of $666.8 million, after transaction costs, and concurrently repaid its senior credit facilities totalling $456.3 million.

11. Financial Position

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

(in thousands of dollars)	**As at September 30, 2026**	As at March 31, 2026	Variance
Cash	**214,357**	296,788	(28)%
Receivables	**89,911**	179,652	(50)%
Inventories	**316,696**	289,341	9 %
Other current assets	**109,819**	61,869	78 %
Total Current Assets	**730,783**	827,650	(12)%
Advance payments	**88,636**	80,368	10 %
Property, plant and equipment	**2,805,582**	2,322,105	21 %
Exploration and evaluation assets	**104,045**	98,370	6 %
Other non-current assets	**297,670**	168,768	76 %
Total Assets	**4,026,716**	3,497,261	15 %
Total Current Liabilities	**457,834**	318,744	44 %
Long-term debt	**1,228,823**	922,136	33 %
Lease liabilities	**122,389**	93,791	30 %
Provisions	**136,586**	131,873	4 %
Net deferred tax liabilities	**488,298**	400,483	22 %
Other non-current liabilities	**18,364**	95,975	(81)%
Total Liabilities	**2,452,294**	1,963,002	25 %
Total Equity	**1,574,422**	1,534,259	3 %
Total Liabilities and Equity	**4,026,716**	3,497,261	15 %

11. Financial Position (continued)

Certain changes in the consolidated statements of financial position are 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 September 30, 2026, compared to the amount held on March 31, 2026, is detailed in section 10 — Cash Flows of this MD&A.

Receivables were lower as at September 30, 2026, compared to March 31, 2026, despite the inclusion of Rana Gruber's balances. The decrease primarily reflected strong collections near quarter-end and lower forward index prices, which resulted in a net payable balance for provisionally priced sales to one customer, reclassified from receivables to payables.

The increase in inventories mainly reflected the inclusion of Rana Gruber's inventories and higher inventory values at Bloom Lake, partially offset by lower inventory volumes held by QIO.

The increase in other current assets is mainly attributable to a higher income and mining tax receivable.

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.

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

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 primarily reflected the recognition of additional current lease liabilities related to Rana Gruber's operations.

The increase in long-term debt mainly reflected the addition of a new US$150 million term loan used to partially finance the Rana Gruber Acquisition, drawdowns on the senior revolving credit facility, and an unrealized foreign exchange loss on long-term debt denominated in U.S. dollars.

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

Total equity increased by $40.2 million since the beginning of the financial year, primarily reflecting the issuance of the Company's ordinary shares to partially finance the Rana Gruber Acquisition, partially offset by the net loss for the six-month period and a dividend payment.

Liquidity

Despite volatile market conditions, the Company remains in compliance with the covenants under its senior secured credit facilities as at September 30, 2026, which provide access to its revolving credit facility. As a preventive measure to mitigate potentially continued depressed market conditions, the Company proactively obtained temporary financial covenant relief and enhanced financial covenant flexibility under its senior credit facilities and other credit facilities, if required in upcoming periods. Given recent volatile market conditions, the Company would not have satisfied certain financial covenants under some of its other credit facilities for the quarter ended September 30, 2026, primarily driven by (i) the structural and contractual differences in how debt is treated under these credit facilities compared to the senior secured credit facility; and (ii) the inclusion of Rana Gruber's financial results following its acquisition.

Before quarter-end, the Company obtained amendments and waivers providing for amendments to, or waivers of compliance with, the financial covenants of its credit facilities, including preventive waivers for the senior secured credit facility, which amendments and waivers may be triggered, at the discretion of the Company and as required, including:

- Covenant relief period for the credit facility with Fonds de Solidarité des Travailleurs du Québec (FTQ Loan) up to December 31, 2026, inclusively;
- Preventive covenant relief period for its senior credit facility up to March 31, 2027, inclusively, and secured enhanced covenants to help mitigate the impact of future market volatility following a covenant relief period, should it be required by the Company; and
- Amended the covenants of the agreement with Caterpillar Financial Services Limited (CAT Financing) to align with those under the senior credit facility.

11. Financial Position (continued)

Liquidity (continued)

The Company is actively discussing with its creditors to further amend or refinance certain credit facilities to improve financial flexibility. Although challenging market conditions may persist, the Company expects to benefit in the near term from operational optimization initiatives, cost reduction efforts and the positive impact of the DRPF project on net realized selling prices. Depending on market conditions, the Company may need to adjust its capital expenditure programs, operating plans and/or secure additional funding or relief. There can be no assurance that such relief or funding, if required, will be available on acceptable terms. Management believes that these measures, together with the Company's current available liquidity and its forecasted cash flows from operating activities, should position the Company to meet its cash requirements over the next 12 months.

As at September 30, 2026, the Company held $214.4 million in cash and had $404.1 million in undrawn loans under the senior revolving facility for total available liquidity of $618.4 million[1].

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

- Sustaining capital expenditures;
- 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.

Consistent with the Company's recently revised dividend policy, as announced to the market in the press release dated May 27, 2026 (Montréal), which targets distributions of 30% to 40% of trailing six-month free cash flows, the Board of Directors did not declare a dividend for the six-month period ended September 30, 2026.

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 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 September 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)	**253,971**	**—**	**—**	**253,971**
Long-term debt	**153,688**	**780,813**	**808,756**	**1,743,257**
Lease liabilities	**44,364**	**75,970**	**84,171**	**204,505**
Commitments as per note 23 to the Financial Statements	**99,556**	**69,374**	**157,066**	**325,996**
	551,579	**926,157**	**1,049,993**	**2,527,729**

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

15. Material Judgments, Estimates and Assumptions

In connection with the Rana Gruber Acquisition, the Company made the following additional 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 six-month period ended September 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 September 30, 2026**	As at March 31, 2026
Investment in a joint venture	**74,118**	73,124
Joint venture's contribution note	**53,227**	55,446
Other receivables (from a joint venture)	**430**	1,047

During the three and six-month periods ended September 30, 2026, Champion invoiced management fees and other services to the Kami Partnership totalling $1.2 million and $2.5 million, respectively, and recognized interest income of $0.3 million and $0.7 million, respectively, 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 September 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.

	Q2 2027	Q1 2027	Q4 2026	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
Operating Data								
Iron ore concentrates produced (thousands of wmt)	3,873	3,939	3,435	3,661	3,552	3,521	3,167	3,621
Iron ore concentrates sold (thousands of dmt)	4,494	3,339	3,455	3,895	3,851	3,832	3,495	3,287
Financial Data (in millions of dollars, except per share data)								
Revenues	403.9	356.9	414.5	472.3	492.9	390.0	425.3	363.2
Net income (loss)	(48.4)	(41.5)	23.2	65.0	56.8	23.8	39.1	1.7
Adjusted net income (loss)[1]	(34.3)	(6.0)	16.5	70.4	56.8	23.8	39.1	1.7
EBITDA[1]	3.7	32.8	114.3	152.4	174.8	57.8	127.4	88.2
Adjusted EBITDA[1]	23.3	78.3	105.2	158.3	174.8	57.8	127.4	88.2
Basic EPS	(0.09)	(0.07)	0.04	0.12	0.11	0.05	0.08	0.00
Adjusted EPS[1]	(0.06)	(0.01)	0.03	0.13	0.11	0.05	0.08	0.00
Diluted EPS	(0.09)	(0.07)	0.04	0.12	0.11	0.05	0.07	0.00
Net cash flows from (used in) operating activities	82.4	51.0	152.1	81.7	121.0	81.1	144.4	(6.4)
Statistics (in dollars per dmt sold)								
Gross average realized selling price[1]	147.8	158.7	165.1	162.9	157.5	146.0	160.4	158.8
Net average realized selling price[1]	89.9	106.9	120.0	121.3	128.0	101.8	121.7	110.5
C1 cash cost[1]	82.9	83.7	82.7	73.9	76.2	81.9	80.0	78.7
AISC[1]	97.9	111.3	96.9	89.7	96.9	96.2	93.1	93.9
Cash operating margin[1]	(8.0)	(4.4)	23.1	31.6	31.1	5.6	28.6	16.6
Statistics (in U.S. dollars per dmt sold)[2]								
Gross average realized selling price[1]	105.5	115.2	120.5	116.8	114.2	105.5	111.8	113.4
Net average realized selling price[1]	64.0	77.5	87.5	86.9	92.9	73.4	84.9	78.8
C1 cash cost[1]	59.2	60.5	60.3	53.0	55.3	59.2	55.7	56.3
AISC[1]	70.0	80.4	70.6	64.3	70.4	69.5	64.9	67.2
Cash operating margin[1]	(6.0)	(2.9)	16.9	22.6	22.5	3.9	20.0	11.6

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

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

20. Non-IFRS and Other Financial Measures

The Company has included certain non-IFRS financial measures, ratios and supplementary financial measures in this MD&A, as listed in the table below, to provide investors with additional information in order to help them evaluate the underlying performance of the Company. These measures are mainly derived from the Financial Statements but do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Management believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors with an improved ability to understand the results of the Company's operations. Non-IFRS and other financial measures should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. The exclusion of certain items from non-IFRS financial measures does not imply that these items are necessarily non-recurring. 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	
Available liquidity	Cash and cash equivalents, plus short-term investments, plus undrawn amounts under credit facilities
EBITDA	Earnings before income and mining taxes, net finance costs (income) and depreciation
Adjusted EBITDA	EBITDA adjusted, as applicable, for acquisition-related costs, start-up costs, purchase price allocation inventory adjustments, gain or loss on disposal of non-current investments, write-off of non-current investments and unrealized fair value changes on derivative instruments
Adjusted net income (loss)	Net income (loss) adjusted, as applicable, for acquisition-related costs, start-up costs, purchase price allocation inventory adjustments, gain or loss on disposal of non-current investments, write-off of non-current investments, unrealized fair value changes on derivative instruments and the related tax effects of these items
Non-IFRS Ratios	
EBITDA margin	EBITDA as a percentage of revenues
Adjusted EBITDA margin	Adjusted 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 administrative 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

Non-IFRS financial information in this MD&A has not been audited or reviewed by the Company's external auditors.

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

Available Liquidity

Available liquidity is a non-IFRS measure used by Management to prudently monitor the cash accessible by the Company. Available liquidity is comprised of cash and cash equivalents, short-term investments 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.

(in thousands of dollars)	**As at September 30, 2026**	As at June 30, 2026
Cash	**214,357**	198,621
Undrawn amounts under credit facilities	**404,088**	454,516
Available liquidity	**618,445**	653,137

EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted 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. Adjusted EBITDA is a new non-IFRS financial measure introduced by the Company during the second quarter of the 2027 financial year.

Adjusted EBITDA and adjusted EBITDA margin provide investors with additional information to evaluate the Company's underlying operating performance by excluding the impact of certain items that management believes are not indicative of the Company's ongoing operations. Management believes that excluding these items provides a more meaningful representation of the Company's operating performance as these items may vary significantly between periods and may not be reflective of the performance of the Company's core mining operations. Management believes this measure enhances the comparability of operating performance between periods and may facilitate comparisons with the performance of other companies in the mining industry.

EBITDA margin and adjusted EBITDA margin are used for the purpose of evaluating business performance. Management believes these financial ratios are relevant to investors in assessing the Company's ability to generate operating earnings and liquidity to fund working capital requirements, capital expenditures and debt obligations.

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

(in thousands of dollars)	December 31, 2025	March 31, 2026	June 30, 2026	**Three Months Ended September 30, 2026**	**Six Months Ended September 30, 2026**
Income (loss) before income and mining taxes	105,456	51,078	(50,312)	**(71,019)**	**(121,331)**
Net finance costs	2,101	19,733	35,861	**15,485**	**51,346**
Depreciation	44,851	43,529	47,241	**59,190**	**106,431**
EBITDA	152,408	114,340	32,790	**3,656**	**36,446**
Revenues	472,309	414,505	356,876	**403,932**	**760,808**
EBITDA margin	32%	28%	9%	**1%**	**5%**
Cash items					
Start-up costs	—	—	6,551	**6,921**	**13,472**
Purchase price allocation inventory adjustment	—	—	2,865	**4,832**	**7,697**
Acquisition-related costs	3,711	1,856	3,618	**—**	**3,618**
Non-cash item					
Unrealized change in fair value of derivative instruments	2,215	(11,025)	32,517	**7,856**	**40,373**
Adjusted EBITDA	158,334	105,171	78,341	**23,265**	**101,606**
Adjusted EBITDA margin	34%	25%	22%	**6%**	**13%**

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

EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin (continued)

(in thousands of dollars)	December 31, 2024	March 31, 2025	Three Months Ended June 30, 2025	Three Months Ended September 30, 2025	Six Months Ended September 30, 2025
Income before income and mining taxes	21,347	74,646	24,213	104,072	128,285
Net finance costs (income)	30,508	11,286	(13,256)	25,643	12,387
Depreciation	36,361	41,446	46,796	45,108	91,904
EBITDA	88,216	127,378	57,753	174,823	232,576
Revenues	363,170	425,345	390,027	492,890	882,917
EBITDA margin	24%	30%	15%	35%	26%
Cash item					
Acquisition-related costs	—	—	—	13	13
Adjusted EBITDA	88,216	127,378	57,753	174,836	232,589
Adjusted EBITDA margin	24%	30%	15%	35%	26%

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.

	December 31, 2025	March 31, 2026	June 30, 2026	**Three Months Ended September 30, 2026**	**Six Months Ended September 30, 2026**
(in thousands of dollars, except shares and per share data)					
Net income (loss)	64,972	23,186	(41,528)	**(48,355)**	**(89,883)**
Non-cash item					
Unrealized change in fair value of derivative instruments	2,215	(11,025)	32,517	**7,856**	**40,373**
Cash items					
Start-up costs	—	—	6,551	**6,921**	**13,472**
Purchase price allocation inventory adjustment	—	—	2,865	**4,832**	**7,697**
Acquisition-related costs	3,711	1,856	3,618	**—**	**3,618**
Tax effects of adjustments listed above[1]	(498)	2,481	(9,984)	**(5,518)**	**(15,502)**
Adjusted net income (loss)	70,400	16,498	(5,961)	**(34,264)**	**(40,225)**
(in thousands)					
Weighted average number of ordinary shares outstanding — Basic	533,251	533,251	557,102	**560,047**	**558,583**
Adjusted EPS (in dollars)	0.13	0.03	(0.01)	**(0.06)**	**(0.07)**

	December 31, 2024	March 31, 2025	June 30, 2025	Three Months Ended September 30, 2025	Six Months Ended September 30, 2025
(in thousands of dollars, except shares and per share data)					
Net income	1,741	39,140	23,784	56,794	80,578
Cash item					
Acquisition-related costs	—	—	—	13	13
Tax effects of adjustments listed above[1]	—	—	—	—	—
Adjusted net income	1,741	39,140	23,784	56,807	80,591
(in thousands)					
Weighted average number of ordinary shares outstanding — Basic	518,251	518,251	522,702	533,251	528,005
Adjusted EPS (in dollars)	0.00	0.08	0.05	0.11	0.15

[1] The tax effects of adjustments are calculated using the applicable tax rate.

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.

	December 31, 2025	March 31, 2026	June 30, 2026	**Three Months Ended September 30, 2026**	**Six Months Ended September 30, 2026**
Iron ore concentrates sold (dmt)	3,895,300	3,455,400	3,339,000	**4,494,100**	**7,833,100**
(in thousands of dollars, except per dmt data)					
Cost of sales	287,712	285,785	288,751	**384,118**	**672,869**
Less: Purchase price allocation inventory adjustment	—	—	(2,865)	**(4,832)**	**(7,697)**
Less: Start-up costs	—	—	(6,551)	**(6,921)**	**(13,472)**
C1 cash cost (in $)	287,712	285,785	279,335	**372,365**	**651,700**
C1 cash cost (per dmt sold)	73.9	82.7	83.7	**82.9**	**83.2**
Sustaining capital expenditures	46,956	31,162	78,204	**53,620**	**131,824**
General and administrative expenses	14,744	17,836	14,185	**14,114**	**28,299**
AISC (in $)	349,412	334,783	371,724	**440,099**	**811,823**
AISC (per dmt sold)	89.7	96.9	111.3	**97.9**	**103.6**

	December 31, 2024	March 31, 2025	June 30, 2025	Three Months Ended September 30, 2025	Six Months Ended September 30, 2025
Iron ore concentrates sold (dmt)	3,287,400	3,495,300	3,831,800	3,850,900	7,682,700
(in thousands of dollars, except per dmt data)					
Cost of sales	258,728	279,644	313,928	293,398	607,326
C1 cash cost (per dmt sold)	78.7	80.0	81.9	76.2	79.1
Sustaining capital expenditures	38,193	33,230	42,241	69,910	112,151
General and administrative expenses	11,813	12,457	12,581	9,894	22,475
AISC (in $)	308,734	325,331	368,750	373,202	741,952
AISC (per dmt sold)	93.9	93.1	96.2	96.9	96.6

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 September 30, 2026			Six-Month Period Ended September 30, 2026		
	Bloom Lake	**Rana Gruber**	**Consolidated**	**Bloom Lake**	**Rana Gruber**	**Consolidated**
Iron ore concentrates sold (dmt)	3,907,100	587,000	4,494,100	7,035,900	797,200	7,833,100
Iron ore concentrates produced (dmt)	3,222,000	507,700	3,729,700	6,659,500	872,400	7,531,900
(in thousands of dollars, except per ton amount)						
Mining and processing costs	194,950	34,471	229,421	382,237	65,708	447,945
Change in iron ore concentrate inventories	33,324	14,640	47,964	11,296	1,190	12,486
Land transportation and port handling costs	94,036	944	94,980	189,730	1,539	191,269
Purchase price allocation inventory adjustment	—	4,832	4,832	—	7,697	7,697
Start-up costs	6,921	—	6,921	13,472	—	13,472
Cost of sales (in $)	**329,231**	**54,887**	**384,118**	**596,735**	**76,134**	**672,869**
Less: Purchase price allocation inventory adjustment	—	(4,832)	(4,832)	—	(7,697)	(7,697)
Less: Start-up costs	(6,921)	—	(6,921)	(13,472)	—	(13,472)
C1 cash cost (in $)	**322,310**	**50,055**	**372,365**	**583,263**	**68,437**	**651,700**
Add: Sustaining capital expenditures	46,679	6,941	53,620	112,375	19,449	131,824
Add: General and administrative expenses	—	—	14,114	—	—	28,299
AISC (in $)	**368,989**	**56,996**	**440,099**	**695,638**	**87,886**	**811,823**
Mining and processing costs (per dmt produced)	60.5	67.9	61.5	57.4	75.3	59.5
Land transportation and port handling costs (per dmt sold)	24.1	1.6	21.1	27.0	1.9	24.4
C1 cash cost (per dmt sold)	82.5	85.3	82.9	82.9	85.8	83.2
AISC (per dmt sold)	94.4	97.1	97.9	98.9	110.2	103.6

	Three Months Ended September 30, 2025			Six-Month Period Ended September 30, 2025		
	Bloom Lake	**Rana Gruber**	**Consolidated**	**Bloom Lake**	**Rana Gruber**	**Consolidated**
Iron ore concentrates sold (dmt)	3,850,900	—	3,850,900	7,682,700	—	7,682,700
Iron ore concentrates produced (dmt)	3,442,300	—	3,442,300	6,854,600	—	6,854,600
(in thousands of dollars, except per ton amount)						
Mining and processing costs	182,103	—	182,103	365,320	—	365,320
Change in iron ore concentrate inventories	17,410	—	17,410	54,949	—	54,949
Land transportation and port handling costs	93,885	—	93,885	187,057	—	187,057
Cost of sales (in $)	**293,398**	**—**	**293,398**	**607,326**	**—**	**607,326**
Total cash cost (in $)	**293,398**	**—**	**293,398**	**607,326**	**—**	**607,326**
Add: Sustaining capital expenditures	69,910	—	69,910	112,151	—	112,151
Add: General and administrative expenses	—	—	9,894	—	—	22,475
AISC (in $)	**363,308**	**—**	**373,202**	**719,477**	**—**	**741,952**
Mining and processing costs (per dmt produced)	52.9	—	52.9	53.3	—	53.3
Land transportation and port handling costs (per dmt sold)	24.4	—	24.4	24.3	—	24.3
Total cash cost (per dmt sold)	76.2	—	76.2	79.1	—	79.1
AISC (per dmt sold)	94.3	—	96.9	93.6	—	96.6

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.

	December 31, 2025	March 31, 2026	June 30, 2026	**Three Months Ended September 30, 2026**	**Six Months Ended September 30, 2026**
Iron ore concentrates sold (dmt)	3,895,300	3,455,400	3,339,000	**4,494,100**	**7,833,100**
(in thousands of dollars, except per dmt data)					
Revenues	472,309	414,505	356,876	**403,932**	**760,808**
Net average realized selling price (per dmt sold)	121.3	120.0	106.9	**89.9**	**97.1**
AISC (per dmt sold)	89.7	96.9	111.3	**97.9**	**103.6**
Cash operating margin (per dmt sold)	31.6	23.1	(4.4)	**(8.0)**	**(6.5)**
Cash profit margin	26%	19%	(4)%	**(9)%**	**(7)%**

	December 31, 2024	March 31, 2025	June 30, 2025	Three Months Ended September 30, 2025	Six Months Ended September 30, 2025
Iron ore concentrates sold (dmt)	3,287,400	3,495,300	3,831,800	3,850,900	7,682,700
(in thousands of dollars, except per dmt data)					
Revenues	363,170	425,345	390,027	492,890	882,917
Net average realized selling price (per dmt sold)	110.5	121.7	101.8	128.0	114.9
AISC (per dmt sold)	93.9	93.1	96.2	96.9	96.6
Cash operating margin (per dmt sold)	16.6	28.6	5.6	31.1	18.3
Cash profit margin	15%	24%	6%	24%	16%

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.

	December 31, 2025	March 31, 2026	June 30, 2026	**Three Months Ended September 30, 2026**	**Six Months Ended September 30, 2026**
Iron ore concentrates sold (dmt)	3,895,300	3,455,400	3,339,000	**4,494,100**	**7,833,100**
(in thousands of dollars, except per dmt data)					
Revenues	472,309	414,505	356,876	**403,932**	**760,808**
Provisional pricing adjustments	(4,373)	299	6,205	**6,493**	**12,698**
Freight and other costs	166,539	155,844	166,982	**253,683**	**420,665**
Gross revenues	634,475	570,648	530,063	**664,108**	**1,194,171**
Gross average realized selling price (per dmt sold)	162.9	165.1	158.7	**147.8**	**152.5**

	December 31, 2024	March 31, 2025	June 30, 2025	Three Months Ended September 30, 2025	Six Months Ended September 30, 2025
Iron ore concentrates sold (dmt)	3,287,400	3,495,300	3,831,800	3,850,900	7,682,700
(in thousands of dollars, except per dmt data)					
Revenues	363,170	425,345	390,027	492,890	882,917
Provisional pricing adjustments	17,407	(5,389)	26,552	(40,935)	(14,383)
Freight and other costs	141,568	140,627	142,687	154,436	297,123
Gross revenues	522,145	560,583	559,266	606,391	1,165,657
Gross average realized selling price (per dmt sold)	158.8	160.4	146.0	157.5	151.7

21. Share Capital Information

The Company's share capital consists of ordinary shares without par value. As of October 28, 2026, there were 560,046,922 ordinary shares issued and outstanding and 8,564,197 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 July 1, 2026, and ended on September 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. This MD&A is not audited or reviewed by the Company's external auditor. Its content has been verified through the Company's internal verification process, which includes review of source data by Management and the finance team, review by the Disclosure Committee and review by the Audit Committee prior to Board approval.

The Board has approved the Financial Statements and the disclosure contained in this MD&A as of October 29, 2026, and has authorized the release of this MD&A to the ASX and TSX.

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.