

CHAMPION IRON REPORTS RECORD PRODUCTION IN ITS FY2024 THIRD QUARTER, APPROVES THE DRPF PROJECT AND ANNOUNCES THE RESULTS OF THE KAMI PROJECT STUDY

- Record quarterly production of 4.0M wmt, surpassing Bloom Lake's expanded nameplate capacity, revenue of \$507M, EBITDA of \$247M¹ and EPS of \$0.24
 - Advanced work programs in connection with the final investment decision for the DRPF Project
- Positive results from the Kami Project Study, positioning the Company to consider strategic partnerships to advance the project

Montréal, January 30, 2024 (Sydney, January 31, 2024) - Champion Iron Limited (TSX: CIA) (ASX: CIA) (OTCQX: CIAFF) ["Champion" or the "Company"] is pleased to announce its operational and financial results for the 2024 financial year third quarter ended December 31, 2023.

Champion's CEO, Mr. David Cataford, said: "We are excited to implement key elements of our expansion strategy, with the receipt of an allocation of additional hydroelectric power from Hydro-Québec and our recently secured additional financing. Central to this, our Board provided a final investment decision for the DRPF project. This carbon neutral project, which remains on schedule to be completed in calendar H2/2025, positions the Company and the region to contribute to the accelerating green steel transition, particularly considering the recent decisions by the governments of Québec and Newfoundland and Labrador to include high-purity iron ore on their critical mineral lists. Bloom Lake demonstrated its ability to produce at or above its recently expanded nameplate capacity, resulting in a quarterly production record and robust financial results. Our team also achieved another important milestone by announcing the details of the Kami Project Study which evaluated the construction of a 9.0M wmt per year DR quality iron ore operation. The Study enables the Company to consider strategic partnerships prior to advancing the project, providing an opportunity to capitalize on the growing demand for green steel."

Conference Call Details

Champion will host a conference call and webcast on January 31, 2024, at 9:00 AM (Montréal time) / February 1, 2024, at 1:00 AM (Sydney time) to discuss the results for the financial third quarter ended December 31, 2023. Call details are outlined at the end of this press release.

1. Quarterly Highlights

Operations and Sustainability

- No serious injuries and no major environmental incidents reported in the quarter;
- Published Champion's 2023 Annual Modern Slavery Statement, highlighting the Company's commitment to upholding human rights;
- Production exceeded Bloom Lake's recently expanded nameplate capacity, resulting in a record quarterly production of 4.0 million wmt (3.9 million dmt) of high-grade 66.3% Fe concentrate for the three-month period ended December 31, 2023, up 17% from the previous quarter, and 36% over the same period last year;

- Record quarterly iron ore concentrate sales of 3.2 million dmt for the three-month period ended December 31, 2023, up 12% and 20% from the previous quarter and the prior-year period, respectively; and
- While Bloom Lake's production capacity increased during the period, exceeding its expanded nameplate capacity, the rail operator did not haul at contracted levels. This haulage shortfall resulted in the inability to ship all of the iron ore concentrate produced during the period. Additionally, rail service was interrupted for several days after heavy rains in late December. Accordingly, iron ore concentrate stockpiled at Bloom Lake increased by 0.8 million wmt to 2.4 million wmt during the three-month period ended December 31, 2023. The Company is engaging with the rail operator to receive contracted haulage services to ensure that Bloom Lake's increased production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods.

Financial Results

- Gross realized selling price of US\$144.0/dmt¹, compared to the P65 index average of US\$138.7/dmt in the period;
- Net realized selling price of US\$115.6/dmt¹, representing a 15% increase quarter-on-quarter, and a 20% increase year-on-year;
- C1 cash cost of \$73.0/dmt¹ (US\$53.6/dmt)², a decrease of 1% quarter-on-quarter, and 4% year-on-year, respectively;
- EBITDA of \$246.6 million¹, an increase of 59% quarter-on-quarter, and 109% year-on-year, respectively;
- Net income of \$126.5 million, an increase of 94% quarter-on-quarter, and 146% year-on-year, respectively;
- EPS of \$0.24, an increase of 85% quarter-on-quarter, and 140% year-on-year, respectively;
- Strong cash position at quarter-end with \$387.4 million in cash and cash equivalents as at December 31, 2023, an increase of \$70.8 million since September 30, 2023;
- Procured a new US\$230 million term loan, maturing in November 2028 with no principal repayment before June 2026 (the "Financing"). Repaid the US\$180 million outstanding balance from the Company's existing US\$400 million revolving facility, with the proceeds of the Financing, and extended its maturity from May 2026 to November 2027;
- Available liquidity, including amounts available from the Company's credit facilities, totalling \$937.6 million¹ at quarter-end, compared to \$645.9 million¹ as at September 30, 2023, to support growth initiatives; and
- Paid the fifth semi-annual dividend of \$0.10 per ordinary share on November 28, 2023, totalling \$51.8 million.

Kamistiatasset Project (the "Kami Project" or the "Project") Study Highlights

- The Kami Project Study (the "Study") evaluated the construction of mining and processing facilities to produce Direct Reduction ("DR") grade pellet feed iron ore from the mining properties of the Kami mine located in the Labrador Trough in southwestern Labrador and Newfoundland. The Study details a 25-year life of mine with average annual DR quality iron ore concentrate production of approximately 9.0M wmt per annum at above 67.5% Fe;
- Project construction period is estimated at 48 months, following a final investment decision, and it benefits from permitting work completed by the Project's previous owner;
- Total capital expenditures of \$3,864 million, resulting in a Net Present Value ("NPV") of \$541 million and Internal Rate of Return ("IRR") of 9.8% after-tax, based on conservative pricing dynamics compared to prevailing iron ore prices; NPV of \$2,195 million and IRR of 14.8% after-tax, based on the previous three calendar year average of the P65 index price;
- Benefiting from expected access to hydroelectric power and significant investments to reduce its GHG emissions, including a near pit crushing facility and conveyor circuit for ore and waste, the Project is expected to have an emission intensity of approximately 6.7 kilogram of CO₂ per tonne of DR grade pellet feed iron ore produced, positioning the Project as potentially one of the lowest emitting producers of DR grade pellet feed iron ore locally and globally; and
- Completion of the Study enables the Company to evaluate the Project in relation to its portfolio of other organic growth opportunities, while aiming to maintain a prudent balance sheet and avoid equity dilution. The Company expects to continue optimizing the Project, engage with stakeholders, evaluate opportunities to improve its economics, advance permitting and work on strategic partnership opportunities prior to considering a final investment decision.

Direct Reduction Pellet Feed Project Update

- With significant available liquidity and allocation of additional hydroelectric power from Hydro-Québec, securing access to renewable power required for the DRPF project, the Board provided a final investment decision to proceed with the DRPF project on January 30, 2024 (Montréal time);
- The DRPF project final investment decision secures the project's expected commissioning in the second half of calendar year 2025, a timeline which is subject to completing key construction milestones in mid-2024 calendar year; and
- Project remains on budget, with quarterly investments of \$31.0 million and a cumulative investment of \$59.9 million, as at December 31, 2023, from the total capital expenditures of \$470.7 million as estimated in the results of the study released in January 2023.

Other Growth and Development

- Recognizing its positive impact in reducing GHG emissions in steelmaking and its importance in the green steel supply chain, high-purity iron ore was listed on the province of Québec's and Newfoundland and Labrador's critical minerals lists, joining other minerals such as nickel, copper and cobalt; and
- Advanced a study, which is expected to be completed in the near term, in collaboration with a major international steelmaking partner, to re-commission the Pointe-Noire Iron Ore Pelletizing Facility (the "Pellet Plant") to produce DR grade pellets.

2. Kami Project Study

Project Description

The Kami Project is a DR grade quality iron ore project near available infrastructure, situated only a few kilometers south-east of the Company's operating Bloom Lake mine, in the Labrador Trough geological belt in southwestern Labrador and Newfoundland, near the Québec eastern border. The Study evaluated the construction of mining and processing facilities, including a concentrator, tailings facilities and related infrastructure to produce DRPF iron ore from the mining properties of the Kami mine.

The Project is expected to benefit from several competitive advantages including:

- a sizeable high-purity iron resource, significantly de-risked by the Project's previous owners;
- location near available infrastructure and Bloom Lake, enabling potential synergies;
- potential Project ranking as one of the lowest emitting high-purity iron ore projects, both locally and globally, by leveraging expected access to hydroelectric power;
- a supportive Newfoundland and Labrador government which identified high-purity iron ore within their critical minerals plan; and
- advanced permitting work completed by the previous owner.

The Study did not incorporate prospects for potential economic support from governments to encourage development of critical minerals, preferential funding opportunities or other economic incentives, which could improve economics and influence a final investment decision.

Economic Summary and Key Assumptions

KEY ASSUMPTION SUMMARY	UNIT	
Mineral reserves	M dmt	643
Production life of mine	Years	25
Average annual production	M dmt	8.6
Average annual production wet	M wmt	9.0
Average Fe In-situ grade to plant	%	29.2%
Average Fe metallurgical recovery	%	76.4%
Average concentrate grade sold	% Fe	DR quality iron ore above 67.5%
Average stripping ratio	Waste:Ore	1.6

MACROECONOMIC AND MARKET ASSUMPTIONS		C\$	US\$
P65 Index CFR China Iron ore price (Kami iron ore concentrate gross realized price is based on (i) P65 index and (ii) an additional premium for DR grade quality iron ore)	\$/dmt	156.0	120.0
Average shipping cost	\$/dmt	28.6	22.0
Average foreign exchange rate	C\$:US\$	1.30	
CAPITAL COSTS		C\$	US\$
Construction period	Months	48	
Initial CAPEX	M	3,864	2,972
OPERATING COST PER TONNE SOLD		C\$	US\$
Total cash cost (C1 Cost)	\$/dmt	76.1	58.5
Total AISC	\$/dmt	89.5	68.9

ECONOMIC RESULTS	BASE PRICE SCENARIO		MARKET PRICE SCENARIO <i>(3-Year Trailing Scenario: CY2021-2023)</i>	
	C\$	US\$	C\$	US\$
	P65 Index CFR China Iron ore price (Kami iron ore concentrate gross realized price is based on (i) P65 index and (ii) an additional premium for DR grade quality iron ore)	156.0	120.0	197.9
C3 Index price (\$/wmt)	28.6	22.0	31.2	24.0
PRE-TAX				
NPV in M at 8% discount rate	1,482	1,140	4,034	3,103
IRR	12.1%		18.0%	
AFTER-TAX				
NPV in M at 8% discount rate	541	416	2,195	1,688
IRR	9.8%		14.8%	
Payback period (years)	7		5	
<i>All other assumptions besides P65 index and C3 index are held constant</i>				

Mine

The Kami Project is planned as a conventional open-pit mine combined with an In-Pit Crushing System ("IPCS") for waste rock. Mining operations will utilize drills, haul trucks coupled with hydraulic shovels, and a semi-mobile waste IPCS, with the ore crusher located at the pit exit on the East side. The Project contains the Rose pit, which is to be split into three phases. The peak mining rate is expected to be 81.0 Mtpa over a life of mine of 25 years. A total of 643 Mt of ore will be mined at an average total iron ore grade of 29.2% with a total of 1,019.5 Mt of combined waste and overburden, resulting in a stripping ratio of 1.6 tonnes of waste per tonne of ore mined.

Concentrator Plant

The proposed Kami concentrator plant is based on the flowsheet developed and contained in previous studies completed by the Project's former owner, the 2023 test work and input from the Company and its advisors' engineering teams and manufacturers. The proposed concentrator is designed to process ore grading at 29.2% total Fe over a 25-year mine life. The test work conducted during 2023 resulted in the redesign of a revised process flowsheet that will enable the production of a DR quality iron ore concentrate at or above 67.5% Fe and below 2.5% SiO₂ + Al₂O₃, with an iron recovery of 76.4%, allowing an average life of mine production of 9.0M wmt per year.

The flowsheet includes proven and modern technologies for processing iron ore, including a gyratory crusher, autogenous mill, gravity separation circuit consisting of spirals and Reflux™ Classifiers currently operating in the Bloom Lake Phase II concentrator, a magnetic separation circuit consisting of a ball mill, and low intensity magnetic separators. The flowsheet will also include regrind mills and a reverse flotation circuit that will enable the production of DR quality iron ore concentrate.

Infrastructure and Regional Advantages

The Kami Project is expected to benefit from access to renewable hydroelectric power, water, roads, existing rail and port facilities in a proven regional labour market in a mining friendly jurisdiction with a long history of supporting iron ore operations.

The Kami Project is located directly south of Bloom Lake's existing and operational rail loop infrastructure, with access to end markets via port and rail. Rail access for the Kami Project is expected to consist of three separate segments. The first segment, a new rail spur, will be required to connect the mine site to the Quebec North Shore & Labrador ("QNS&L") railway line north of the Wabush-Labrador airport. The second segment would utilize the existing QNS&L railway, connecting Wabush to the Arnaud junction in Sept-Îles, Québec. The third and last segment, the existing Arnaud railroad, connects the Arnaud junction to the Société Ferroviaire et Portuaire of Pointe-Noire ("SFPPN") port facilities in Sept-Îles, currently utilized by Bloom Lake, where unloading facilities will be upgraded. Once unloaded, the DR quality iron ore will be stockpiled, then loaded onto vessels to supply the Company's global customers. Modifications are expected to be required to the existing railway segments and port infrastructure to accommodate the increased capacity from the Kami Project.

Tailings Management

The Tailings Management Facility ("TMF") will consist of a total of five centerline construction method dams built in nine total embankment stages over the life of the facility. Tailings slurry will be pumped from the plant in two streams, coarse and fines. In addition, the TMF will enable the storage of solid waste tailings from the processing plant, as well as operational, storm and snow water management. Contact water, consisting of runoff and embankment seepage, will be collected with collection ditches.

DRPF Quality Iron Ore and Pricing

The Project is expected to produce a DR quality iron ore. With an increased focus on reducing GHG emissions in the steelmaking processes, the steel industry is experiencing a structural shift in its production methods. This dynamic is expected to create additional demand for higher-purity iron ore products, as the industry transitions towards using alternative technologies to produce liquid iron, such as the use of Direct Reduced Iron in Electric Arc Furnaces instead of Blast Furnaces and Basic Oxygen Furnaces.

As DR grade quality iron ore is a niche product in the iron ore industry, representing approximately 5% of the global seaborne iron ore production, pricing tends to be directly negotiated between producers and buyers without an available global pricing index. Due to its higher Fe content and lower impurities, pricing for DR grade iron ore product, used as a raw material input to make DR grade pellets, is expected to attract a significant premium over the traditional high-grade iron ore P65 index and correlates with the DR grade pellet indices. The Company believes, in tandem with several market experts, that the accelerating transition to reduce emissions in the steelmaking process will result in rising demand for DRPF products. As a result of this expected rising demand and product scarcity, the Company believes that its industry leading DRPF quality product will attract increasing premiums over time. In addition to Bloom Lake's expected production of DRPF quality iron ore, the potential production of Kami Project DRPF quality iron ore would further enable the Company to diversify its customer mix, including steelmakers in closer proximity to the Port of Sept-Îles, which could result in freight advantages for the Company.

The Study's base case economic assumption utilizes a conservative blended net realized price based on a P65 index price of US\$120.0/t for the life of mine, a C3 index price of US\$22.0/t and a conservative premium for DR quality iron ore. The P65 index price of US\$120.0/t utilized in the Study compares to the trailing three calendar years' average price of US\$152.2/t and the trailing five calendar years' average price of US\$136.5/t.

Project Timeline

The Project benefits from the permitting work completed by its previous owner and has an estimated construction period of approximately 48 months following a final investment decision. The Kami Project is one of several organic growth opportunities currently being considered by the Company. The Company will continue to optimize the Project, engage with stakeholders, evaluate opportunities to upgrade its economics, advance permitting and consider strategic partnerships prior to considering a final investment decision.

Study and Qualified Persons

The Study will be filed under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com within 45 days of the date of this news release. The following Qualified Persons participated in the preparation of the Study:

- André Allaire, P. Eng. – BBA Inc.
- Christian Beaulieu, P.Geo. – consultant for G Mining Services Inc.
- Alexandre Dorval, P.Eng. – G Mining Services Inc.
- Mathieu Girard, P.Eng. – Soutex
- Siavash Farhangi, P.Eng. – WSP Canada Inc.
- Marie-Hélène Paquette, P. Eng. – AtkinsRéalis Inc.
- Emmanuelle Millet, P. Geo. – AtkinsRéalis Inc.
- Tarek Khoury, P. Eng. – Systra Canada Inc.

Each of these Qualified Persons has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this news release that is relevant to their area of responsibility and verified the data underlying such technical information. Reference is made to the Study that will be filed under the Company's profile on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

Mineral Resource and Mineral Reserve Estimates

The following table presents the mineral resource estimate for the Kami Project, estimated at a cut-off grade of 15% Fe, inside an optimized open-pit shell based on a long-term reference P62 index iron price of US\$95/dmt (C\$124/dmt) and P65 index iron ore price of US\$115/dmt (C\$150/dmt). An exchange rate of 1.30 C\$/US\$ was used. The open-pit measured and indicated mineral resources for the Kami Project, including the Rose and Mills Lake pits, are estimated at 975.5 Mt with an average grade of 29.6% Fe, and the open-pit inferred mineral resources at 163.0 Mt with an average grade of 29.2% Fe. Mineral resources that are not mineral reserves have not demonstrated economic viability.

Mineral Resource Estimate

	Category	Density [t/m ³]	Mass [Mt]	TFe [%]	Mag Fe [%]	Hem Fe [%]	Mag+Hem Fe [%]	MnO [%]	SiO ₂ [%]
Rose Central	Measured	3.47	93.8	29.3	16.9	9.37	26.3	2.2	45.1
	Indicated	3.46	363.7	28.9	17.4	7.39	24.8	1.9	45.6
	M&I	3.46	457.5	29.0	17.3	7.80	25.1	1.9	45.5
	Inferred	3.44	59.8	28.0	16.7	7.47	24.2	1.6	46.1
Rose North	Measured	3.48	81.7	31.0	9.2	19.8	29.1	1.2	50.7
	Indicated	3.45	338.5	29.9	13.9	13.6	27.5	1.2	50.0
	M&I	3.46	420.2	30.1	13.0	14.8	27.8	1.2	50.2
	Inferred	3.30	89.8	29.9	11.7	16.1	27.8	0.9	49.5
Mills Lake	Measured	3.59	37.0	30.5	21.4	7.10	28.5	1.3	46.5
	Indicated	3.57	60.8	30.3	21.5	5.91	27.4	1.2	46.0
	M&I	3.58	97.8	30.4	21.5	6.36	27.8	1.3	46.2
	Inferred	3.55	13.4	29.6	23.1	3.34	26.5	1.2	46.1
Total	Measured	3.49	212.4	30.2	14.8	13.0	27.8	1.6	47.5
	Indicated	3.46	763.0	29.5	16.2	10.0	26.2	1.5	47.6
	M&I	3.47	975.5	29.6	15.9	10.7	26.6	1.5	47.6
	Inferred	3.37	163.0	29.2	14.5	11.9	26.4	1.2	48.0

Notes on Mineral Resources:

1. The Mineral Resource estimate described above has been prepared in accordance with the CIM Standards (Canadian Institute of Mining, Metallurgy and Petroleum, 2014) and follows the Best Practices Guidelines outlined by the CIM (2019).
2. The qualified person for this Mineral Resource Estimate is Christian Beaulieu, P.Geo., consultant for G Mining Services Inc. Mr. Beaulieu is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#10653) and of l'Ordre des géologues du Québec (#1072).
3. The effective date of the Mineral Resource Estimate is November 15, 2022.
4. The cut-off grade used to report Open Pit Mineral Resources is 15.0% total iron (TFe).
5. Density is applied by rock type and is related to the amount of iron in each block.
6. Pit optimization parameters are described as follows:
 - i. Based on a P65 index iron price of US\$115/dmt
 - ii. Concentrate grade of 65.2% Fe
 - iii. Exchange rate of 1.30 C\$:US\$
 - iv. Metallurgical recoveries of 83.55%
 - v. Mining costs of US\$2.11/t mined
 - vi. Total ore based costs of US\$5.33/dmt
 - vii. Overall slope angle varies from 48.4° to 51.6° for the footwall and hanging wall domains respectively.
7. Measured, indicated and inferred mineral resources have been defined mainly based on drill hole spacing.
8. Mineral resources (Rose Central, Rose North and Mills Lake combined) have a stripping ratio of 2.0:1 (W:O).
9. The tonnages and grades outlined above are reported inside a block model with parent block size of 10 m x 20 m x 10 m, and subblocks of 5 m x 10 m x 5 m.
10. Tonnages have been expressed in the metric system and metal content as percentages. Totals may not add up due to rounding.
11. Mineral resources are not mineral reserves as they have not demonstrated economic viability. The quantity and grade of reported inferred mineral resources are uncertain in nature.
12. The qualified person is not aware of any factors or issues that materially affect the mineral resource estimate other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing, political factors and additional risk factors regarding indicated and inferred resources.
13. See the appendix to the Company's quarterly activities report filed on January 31, 2024, on the ASX at www.asx.com.au on January 31, 2024, for additional information regarding Joint Ore Reserves Committee ("JORC").

The proven and probable mineral reserves for the Kami Project are estimated at 643.0 Mt at an average grade of 29.2% Fe based on a cut-off grade of 15% Fe. The mineral reserves were estimated using a long-term P62 index iron ore price of US\$80/dmt, a long-term P65 index iron ore price of US\$100/dmt and an exchange rate of 1.30 C\$/US\$. The mineral reserves include mining dilution and ore loss calculated on a block-by-block basis, based on the neighbouring blocks lithology and grade. The average stripping ratio of the open pit is 1.6.

Mineral Reserve Estimate

Mineral Reserves by Category	Unit	Proven	Probable	Proven & Probable
Crude Ore Tonnage	Mt	167	476	643
Crude Hematite Grade	% HemFe	13.84	10.6	11.4
Crude Magnetite Grade	% MagFe	13.18	15.1	14.6
Crude Total Iron Grade	% TotFe	29.7	29.0	29.2
Concentrate Tonnage	Mt	54.8	157.6	212.4
Concentrate Iron Grade	% Fe	67.6	67.6	67.6

Notes on Mineral Reserves:

1. The qualified person for this Mineral Reserve Estimate is Alexandre Dorval, mining engineer at G Mining Services Inc. Mr. Dorval is a member of the Professional Engineers and Geoscientists of Newfoundland & Labrador (#11042), of the Professional Engineers of Ontario (#100214598) and of l'Ordre des Ingénieurs du Québec (#5027189).
2. Mineral Reserves based on an updated Lidar dated September 2011.
3. Mineral Reserves are estimated using a long-term iron price reference price (Platt's 62%) of US\$ 80/dmt and an exchange rate of 1.30 C\$/US\$. An Fe concentrate price adjustment of US\$ 20/dmt was added as an iron grade premium.
4. The effective date of the Mineral Reserve Estimate is November 15, 2022.
5. Bulk density of ore is variable but averages 3.1 t/m³.
6. Cut-Off Grade of 15% TotFe used to calculate reserves.
7. The average stripping ratio is 1.6:1 W:O.
8. The Mineral Reserve includes a 1.4% mining dilution.
9. The number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding; with rounding following the recommendations detailed in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").
10. See the appendix to the Company's quarterly activities report filed on January 31, 2024, on the ASX at www.asx.com.au on January 31, 2024, for additional information regarding Joint Ore Reserves Committee ("JORC").

3. Bloom Lake Mine Operating Activities

Phase II and Rail Capacity Update

While the Phase II project was completed as planned and ahead of schedule, the Company faced challenges regarding delays in deliveries and commissioning of additional required mining equipment, creating inefficiencies across the site, which negatively impacted the Company's ability to reach its expanded nameplate capacity. Despite such challenges, Phase II reached commercial production in December 2022 and produced at nameplate capacity for thirty consecutive days for the first time during the first quarter of the 2024 financial year. Further to the improvements to stabilize and optimize operations, Bloom Lake demonstrated additional stability during the three-month period ended December 31, 2023, to produce above its recently expanded nameplate capacity over a significant period.

Phase II work on third-party infrastructure was completed in the second quarter of the 2024 financial year, further positioning the Company to benefit from additional flexibility and capacity to handle the Company's expanded nameplate capacity at the port facilities in Sept-Îles. The commissioning of three additional locomotives, an additional stacker reclaimer and associated conveyors, positively impacted the Company's shipment capacity and vessel loading time, required to support the expanded production capacity at Bloom Lake.

Although the commissioning in August 2023 of three additional locomotives, received earlier in June, positively impacted the volume of concentrate transported to Sept-Îles, it was offset by reduced railway services as well as planned and unplanned maintenance activities at the port facilities in Sept-Îles. As a result of the disconnect in railway services and Bloom Lake's increasing production capacity, the iron ore concentrate stockpiled at Bloom Lake increased from 1.6 million wmt at the prior quarter-end to 2.4 million wmt as at December 31, 2023.

The Company is engaging with the rail operator to receive contracted haulage services to ensure that Bloom Lake's increased production, as well as iron ore concentrate currently stockpiled at Bloom Lake, is hauled over future periods. The Company expects to incur additional rehandling costs in future periods to reclaim the iron ore concentrate from the stockpile.

Impact of Forest Fires

Forest fires emerged on May 28, 2023, north of Sept-Îles, Québec, resulting in railway service interruptions between Bloom Lake and the port of Sept-Îles from May 30 to June 10, 2023. As forest fires subsided in the region, railway services resumed at partial capacity on June 10, 2023, until they returned to pre-forest fire levels during the three-month period ended September 30, 2023. As a result, shipments and sales were impacted in the first half of the 2024 financial year.

Despite supply chain challenges caused by multiple highway closures impacting operations during the quarter ended September 30, 2023, Bloom Lake operated continuously throughout the railway interruptions and iron ore concentrate was stockpiled at the mining complex. The Company responded to the situation by triggering its emergency response plan and managed supply chain risks by focusing mine operations on critical activities required to feed the two plants. This impacted the Company's ability to move waste and generate blasted ore inventory in the first quarter of the 2024 financial year. The Company also used its crusher's stockpiles to supply the two plants during that period.

Operational Performance

	Q3 FY24	Q2 FY24	Q/Q Change	Q3 FY23	Y/Y Change
Operating Data					
Waste mined and hauled (wmt)	6,993,200	6,264,600	12 %	4,371,500	60 %
Ore mined and hauled (wmt)	11,215,800	10,593,600	6 %	8,840,400	27 %
Material mined and hauled (wmt)	18,209,000	16,858,200	8 %	13,211,900	38 %
Stripping ratio	0.62	0.59	5 %	0.49	27 %
Ore milled (wmt)	11,137,000	10,339,700	8 %	8,503,400	31 %
Head grade Fe (%)	29.4	28.2	4 %	28.5	3 %
Fe recovery (%)	81.4	77.8	5 %	80.1	2 %
Product Fe (%)	66.3	66.1	— %	66.0	— %
Iron ore concentrate produced (wmt)	4,042,600	3,447,200	17 %	2,962,500	36 %
Iron ore concentrate sold (dmt)	3,227,500	2,883,800	12 %	2,694,200	20 %

During the three-month period ended December 31, 2023, 18.2 million tonnes of material were mined and hauled, compared to 13.2 million tonnes during the same period in 2022, an increase of 38%, and 16.9 million tonnes during the previous quarter, a quarter-over-quarter increase of 8%. Additional material mined and hauled is attributable to the contribution of additional equipment commissioned during the 2024 financial year, a higher utilization and availability of mining equipment, and reduced trucking cycle time associated with the construction of additional ramp accesses. The stripping ratio of 0.62 for the three-month period ended December 31, 2023, was higher than in the same prior-year period, and increased as planned, compared to 0.59 in the previous quarter. The Company plans to gradually increase stripping activities in accordance with the LoM plan.

During the three-month period ended December 31, 2023, the two plants processed 11.1 million tonnes of ore, compared to 8.5 million tonnes for the same prior-year period and 10.3 million tonnes in the previous quarter, an increase of 31% and 8%, respectively, as the Company surpassed Bloom Lake's expanded nameplate capacity of 15 Mtpa during the three-month period ended December 31, 2023.

The iron ore head grade for the three-month period ended December 31, 2023, was 29.4%, compared to 28.5% for the same period in 2022, and 28.2% during the previous quarter. The variation in head grade was within expected normal variations in the mine plan.

The Company's average Fe recovery rate was 81.4% for the three-month period ended December 31, 2023, compared to 80.1% for the same period in 2022, and 77.8% during the previous quarter. The increase in Fe recovery is attributable to work programs that aimed to increase throughput and ore recoveries and optimize operations. Significant improvements were also made to increase the reliability and productivity of the Company's crushed ore conveying systems, which allowed the Company to optimize its recovery circuits level in line with its expected Fe recovery rate target of 82.0% in upcoming quarters, as detailed in the technical report, in respect of Bloom Lake, prepared pursuant to NI 43-101 and Chapter 5 of the ASX Listing Rules entitled "Mineral Resources and Mineral Reserves for the Bloom Lake Mine, Fermont, Québec, Canada", prepared by BBA Inc., SRK Consulting (U.S.) Inc., Soutex and Quebec Iron Ore Inc. and dated September 28, 2023 (the "2023 Technical Report").

With higher head grade and Fe recovery, Bloom Lake delivered record production of 4.0 million wmt (3.9 million dmt) of high-grade iron ore concentrate during the three-month period ended December 31, 2023, an increase of 36% compared to 3.0 million wmt (2.9 million dmt) during the same period in 2022, and an increase of 17% compared to the previous quarter.

4. Financial Performance

	Q3 FY24	Q2 FY24	Q/Q Change	Q3 FY23	Y/Y Change
Financial Data (in thousands of dollars)					
Revenues	506,891	387,568	31%	351,233	44%
Cost of sales	235,457	212,584	11%	209,070	13%
Other expenses	27,219	20,192	35%	23,780	14%
Net finance costs	8,747	11,634	(25%)	1,858	371%
Net income	126,462	65,281	94%	51,406	146%
EBITDA ¹	246,609	155,036	59%	118,206	109%
Statistics (in dollars per dmt sold)					
Gross average realized selling price ¹	195.8	169.4	16%	171.6	14%
Net average realized selling price ¹	157.1	134.4	17%	130.4	20%
C1 cash cost ¹	73.0	73.7	(1%)	76.0	(4%)
AISC ¹	83.9	99.1	(15%)	86.7	(3%)
Cash operating margin ¹	73.2	35.3	107%	43.7	68%

A. Revenues

Revenues totalled \$506.9 million for the three-month period ended December 31, 2023, compared to \$351.2 million for the same period in 2022, mainly due to sales volume increasing to 3.2 million tonnes of high-grade iron ore concentrate from 2.7 million tonnes for the same period in 2022, and a higher P65 index price. Sales volume during the quarter was impacted by lower rail services, unplanned maintenance at the port facilities and several days of rail service outages after heavy rains in December 2023.

The gross average realized selling price was US\$144.0/dmt¹ during the third quarter of the 2024 financial year, up from US\$126.5/dmt¹ for the same period last year, benefiting from higher P65 index prices. During the three-month period ended December 31, 2023, the P65 index averaged US\$138.7/dmt, an increase of 25% from the same quarter last year. The P65 index premium was only 8.1% over the P62 index average price of US\$128.3/dmt during the quarter, down from a premium of 9.6% in the previous quarter. The high-grade P65 index premium over the P62 index averaged 12.0% during the three-month period ended December 31, 2022. The depressed premiums for high-grade iron ore, compared to recent periods, are mainly attributable to lower European steel output, a key consuming region for high-grade iron ore, struggling profitability at global steel mills, together with the lack of environmental control for the steel industry in China.

The gross average realized selling price of US\$144.0/dmt¹ for the three-month period ended December 31, 2023, was higher than the P65 index average price of US\$138.7/dmt for the period due to the 1.8 million tonnes in transit as at December 31, 2023, provisionally priced using an average forward price of US\$149.6/dmt, which is higher than the P65 index average price for the period. This was partially offset by sales contracts using backward-looking iron ore index prices, when prices were lower than the P65 index average price for the period.

The average C3 Baltic Capesize Index ("C3 index") for the three-month period ended December 31, 2023, was US\$24.9/t compared to US\$20.6/t for the same period in 2022, representing an increase of 21%, which is higher than the increase in freight and other costs of 11%. Champion typically books vessels three to five weeks prior to the desired laycan period when contracting vessels on the spot market, which creates a delay between the freight paid and the C3 index. The effect of this delay is eventually reconciled since Champion ships its high-grade iron ore concentrate uniformly throughout the year. Freight and other costs during the three-month period ended December 31, 2023, were also impacted by higher demurrage expenses resulting from a combination of higher demurrage rates, compared to the same period last year, and lower than expected shipment.

Provisional pricing adjustments on prior quarter sales of \$16.0 million were recorded during the three-month period ended December 31, 2023, representing a positive impact of US\$3.8/dmt over the total volume of 3.2 million dmt sold during the period, due to an increase in the P65 index average in the period. During the three-month period ended December 31, 2023, a final average price of US\$135.4/dmt was established for the 1.3 million tonnes of iron ore that were in transit as at September 30, 2023, and which were previously evaluated using an average expected price of US\$125.9/dmt.

After taking into account sea freight and other costs of US\$32.2/dmt and the positive provisional pricing adjustment of US\$3.8/dmt, the Company obtained a net average realized selling price of US\$115.6/dmt [C\$157.1/dmt]¹ for its high-grade iron ore shipped during the period.

B. Cost of Sales and C1 Cash Cost

For the three-month period ended December 31, 2023, the cost of sales totalled \$235.5 million with a C1 cash cost of \$73.0/dmt¹, compared to \$209.1 million with a C1 cash cost of \$76.0/dmt¹ for the same period in 2022, and \$212.6 million with a C1 cash cost of \$73.7/dmt¹ in the previous quarter. These improvements were mostly driven by production achieving nameplate capacity during the quarter, and to increased shipments amortizing fixed production and handling costs.

The cost of sales and C1 cash cost for the three-month period ended December 31, 2023, continued to be negatively impacted by higher than planned utilization of contractors to fill vacant positions, and below expected run rate shipment levels during the quarter to amortize mostly fixed costs at the port facilities in Sept-Îles. The cost of sales and C1 cash cost for the three-month period ended December 31, 2023, benefitted from lower fuel and explosives prices, much higher production levels and lower rail service costs due to semi-annual fuel price adjustments based on trailing prices, compared to the same prior-year period.

Mining and processing costs for the 3.9 million dmt produced in the three-month period ended December 31, 2023, totalled \$45.3/dmt produced, a decrease of 4% compared to \$47.3/dmt produced in the previous quarter, reflecting a stronger mining performance, lower quarter-over-quarter planned maintenance activities and production exceeding nameplate capacity.

C. Net Income & EBITDA

For the three-month period ended December 31, 2023, the Company generated EBITDA of \$246.6 million¹, representing an EBITDA margin of 49%¹, compared to \$118.2 million¹, representing an EBITDA margin of 34%¹, for the same period in 2022. Higher EBITDA was mainly due to higher sales volume and net average realized selling price and lower cash cost, as described above.

For the three-month period ended December 31, 2023, the Company generated net income of \$126.5 million (EPS of \$0.24), compared to \$51.4 million (EPS of \$0.10) for the same prior-year period. The year-over-year increase in net income is attributable to higher gross profits partially offset by higher current income and mining taxes.

D. All In Sustaining Cost & Cash Operating Margin

During the three-month period ended December 31, 2023, the Company realized an AISC of \$83.9/dmt¹, compared to \$86.7/dmt¹ for the same period in 2022. The decrease was attributable to lower C1 cash costs which benefited from Bloom Lake achieving nameplate capacity, partially offset by slightly higher sustaining capital expenditures. Refer to section 6 — Cash Flows for details on sustaining capital expenditures.

The Company generated a cash operating margin of \$73.2/dmt¹ for each tonne of high-grade iron ore concentrate sold during the three-month period ended December 31, 2023, compared to \$43.7/dmt¹ for the same prior-year period. The variation is due to a higher net average realized selling price for the period and lower AISC.

5. Exploration Activities

During the three and nine-month periods ended December 31, 2023, the Company maintained all of its properties in good standing and did not enter into any farm-in/farm-out arrangements. During the three and nine-month periods ended December 31, 2023, \$5.8 million and \$13.1 million in exploration and evaluation expenditures were incurred, respectively, compared to \$3.8 million and \$6.8 million, respectively, for the same prior-year periods. During the three and nine-month periods ended December 31, 2023, exploration and evaluation expenditures mainly consisted of costs associated with work related to updating the Kami Project feasibility study (refer to section 2 — Kami Project Study), claim renewal fees and claim staking around the Kami property. In addition, the Company completed a 1,400 m diamond drill campaign for hydrogeological characterization. Details on exploration projects and maps are available on the Company's website at www.championiron.com under the section Operations & Projects.

6. Cash Flows — Purchase of Property, Plant and Equipment

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
(in thousands of dollars)				
Tailings lifts	11,662	10,547	66,649	47,972
Stripping and mining activities	7,227	3,207	17,032	18,000
Mining equipment rebuild and replacement	5,095	5,741	20,330	16,649
Other sustaining capital expenditures	47	—	269	—
Sustaining capital expenditures	24,031	19,495	104,280	82,621
DRPF project	30,989	—	59,010	—
Other capital development expenditures at Bloom Lake	41,656	36,822	79,442	174,894
Purchase of property, plant and equipment as per cash flows	96,676	56,317	242,732	257,515

Sustaining Capital Expenditures

The increases in tailings-related investments for the three and nine-month periods ended December 31, 2023, are part of the Company's long-term plan to prepare the site for a higher level of operations with the commissioning of Phase II. As part of the Company's ongoing and thorough tailings infrastructure monitoring and inspections, the Company continues to invest in its safe tailings strategy and is implementing its long-term tailings investment plan. The Company's tailings work programs are typically completed in the first half of the financial year due to more favourable weather conditions.

Stripping and mining activities for the three-month period ended December 31, 2023, included \$1.6 million of capitalized stripping costs (nil for the same prior-year period) and \$5.7 million of other mine development costs, including access ramps, topographic and pre-cut drilling (\$3.2 million for the same prior-year period). For the nine-month period ended December 31, 2023, capitalized stripping costs totalled \$1.8 million (\$6.1 million for the same prior-year period) and other mining development costs totalled \$15.2 million (\$11.9 million for the same prior-year period). The stripping and mining activities for the nine-month period ended December 31, 2023, were slightly lower than planned for the 2024 financial year, due to the prioritization of critical activities to mitigate the impacts of the forest fires in the first quarter.

The increase in the Company's mining equipment rebuild program for the nine-month period ended December 31, 2023, is attributable to the major overhaul of its growing mining fleet over the last two years, used to prepare for additional mining activities driven by the Company's expansion. The mining equipment rebuild program is in line with the Company's fleet management program for the 2024 financial year.

DRPF Project

During the three and nine-month periods ended December 31, 2023, \$31.0 million and \$59.0 million, respectively, were spent in capital expenditures related to the DRPF project. Investments mainly consisted of on-site preparation activities, engineering work, long lead-time equipment purchasing and the construction of a lodging complex. Cumulative investments of \$59.9 million were deployed on the DRPF project as at December 31, 2023, with an estimated capital expenditure of \$470.7 million, as per the study released in January 2023.

Other Capital Development Expenditures at Bloom Lake

During the three-month period ended December 31, 2023, other capital development expenditures at Bloom Lake totalled \$41.7 million (\$36.8 million for the same period in 2022), including \$17.9 million for third-party facilities in Sept-Îles to handle additional production from Phase II (\$5.3 million for the same period last year), \$9.3 million in infrastructure improvements and conformity (\$9.9 million for the same prior-year period), \$5.4 million for the garage expansion to support the expanded truck fleet, and \$7.7 million in deposits for a shovel and a loader at the mine (\$15.8 million for the same prior-year period).

During the nine-month period ended December 31, 2023, other capital development expenditures at Bloom Lake totalled \$79.4 million (\$174.9 million for the same period in 2022) and comprised \$23.3 million in infrastructure improvements and conformity, including the construction of two pads to expand the mine's capacity to stockpile concentrate near the loadout (\$19.7 million for the same prior-year period), \$20.5 million for the garage expansion, \$17.7 million for third-party facilities in Sept-Îles to handle additional production from Phase II (\$99.3 million for the same prior-year period) and \$19.4 million for mining equipment deposit, including a drill, a haul truck, two loaders as well as a shovel (\$35.0 million for the same prior-year period). The addition of this mining equipment made a significant contribution to the Company's recent performance. The expenditures for the nine-month period ended December 31, 2023, also included \$1.3 million in capitalized borrowing costs (\$14.4 million for the same prior-year period). During the nine-month periods ended December 31, 2023 and 2022, other capital development expenditures were partially offset by the receipt of a \$5.2 million government grant related to the Company's GHG emissions and energy consumption reduction initiatives.

7. Qualified Person and Data Verification

Mr. Vincent Blanchet, P. Eng., Engineer at Quebec Iron Ore Inc., the Company's subsidiary and operator of Bloom Lake, is a "qualified person" as defined by NI 43-101 and has reviewed and approved, or has prepared, as applicable, the disclosure of the scientific and technical information contained in this document and has confirmed that the relevant information is an accurate representation of the available data and studies for the relevant projects. Mr. Blanchet's review and approval does not include statements as to the Company's knowledge or awareness of new information or data or any material changes to the material assumptions and technical parameters underpinning the 2023 Technical Report. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

The mineral resource qualified person, Christian Beaulieu, P.Geo., undertook data verification and validation of information included in section 2 - Kami Project Study, including, but not limited to, drill core inspection of sampling, logging and mineralization style, outcrop inspection, drill hole collar location, quality assurance and quality control results review, independent sampling, and database verification against laboratory certificates. The qualified person is of the opinion that the drilling database and supporting information can be used for a mineral resource estimate. No major issues were found during data validation, both digitally and on the field.

8. Conference Call and Webcast Information

A webcast and conference call to discuss the foregoing results will be held on January 31, 2024, at 9:00 AM (Montréal time) / February 1, 2024, at 1:00 AM (Sydney time). Listeners may access a live webcast of the conference call from the Investors section of the Company's website at www.championiron.com/investors/events-presentations or by dialing toll free +1-888-390-0546 within North America or +1-800-076-068 from Australia.

An online archive of the webcast will be available by accessing the Company's website at www.championiron.com/investors/events-presentations. A telephone replay will be available for one week after the call by dialing +1-888-390-0541 within North America or +1-416-764-8677 overseas, and entering passcode 228228#.

About Champion Iron Limited

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc., owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The two concentrators have a combined nameplate capacity of 15 Mtpa and produce low contaminant high-grade 66.2% Fe iron ore concentrate with a proven ability to produce a 67.5% Fe direct reduction quality iron ore concentrate. Benefiting from one of the highest purity resources globally, the Company is investing to upgrade half of the Bloom Lake mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe. Bloom Lake's high-grade and low contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. The Company ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has sold its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistatusset Project, located a few kilometres south-east of Bloom Lake, and the Cluster II portfolio of properties, located within 60 km south of Bloom Lake.

Cautionary Note Regarding Forward-Looking Statements

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

Specific Forward-Looking Statements

All statements, other than statements of historical facts included in this press release that address future events, developments or performance that Champion expects to occur are forward-looking statements. Forward-looking statements include, among other things, Management's expectations regarding: (i) the Company's Phase II expansion project, its impact on nameplate capacity, economic and other benefits and associated costs; (ii) Bloom Lake's life of mine, recovery rates, production, economic and other benefits; (iii) the project to upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants and to convert approximately half of Bloom Lake's increased nameplate capacity of 15 Mtpa to commercially produce a DR quality pellet feed iron ore, expected project timeline, economics, capital expenditure, budget and financing, production metrics, technical parameters, permitting and approvals, efficiencies and economic and other benefits; (iv) the study evaluating the re-commissioning of the Pointe-Noire Iron Ore Pelletizing Facility to produce DR grade pellets, including its anticipated completion timeline; (v) the Kami Project's Study, its purpose, including evaluating the potential to produce a DR grade product, expected project timeline, economics, capital expenditure, budget and financing, production and financial metrics, technical parameters, flowsheet, permitting and approvals, available and planned infrastructure, expected environmental footprint, efficiencies and economic and other benefits and related engagement with stakeholders and strategic partners; (vi) the shift in steel industry production methods towards reducing emissions and green steel production methods, including expected rising demand for higher-grade iron ore products and related market deficit and higher premiums, and the Company's participation therein, contribution thereto and positioning in connection therewith, including related research and development and the transition of the Company's product offering (including producing high quality DRPF products) and expected benefits thereof; (vii) greenhouse gas and CO₂ emissions reduction initiatives, objectives, targets and expectations; (viii) increasing stripping activities;

(ix) stockpiled ore levels, shipping and sales of accumulated concentrate inventories and related rehandling costs; (x) increased shipments of iron ore and related railway and port capacity and transportation and handling costs; (xi) the Company's mining equipment rebuild program, fleet management program, tailings investment plan and related investments and benefits; (xii) production and recovery rate targets and the Company's performance; (xiii) pricing of the Company's products; (xiv) the Company's expected iron ore concentrate production and sales; (xv) available liquidity to support the Company's growth projects; and (xvi) the Company's growth and opportunities generally.

Deemed Forward-Looking Statements

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves and resources may be greater or less than the estimates provided herein.

Risks

Although Champion believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expressed in forward-looking statements include, without limitation: (i) the results of feasibility studies; (ii) changes in the assumptions used to prepare feasibility studies; (iii) project delays; (iv) timing and uncertainty of industry shift to green steel and Electric Arc Furnaces; (v) continued availability of capital and financing and general economic, market or business conditions; (vi) general economic, competitive, political and social uncertainties; (vii) future prices of iron ore; (viii) future transportation costs; (ix) failure of plant, equipment or processes to operate as anticipated; (x) delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; and (xi) the effects of catastrophes and public health crises, including the impact of COVID-19 on the global economy, the iron ore market and Champion's operations, as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2023 Annual Report, Annual Information Form and MD&A for the financial year ended March 31, 2023, which are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at www.championiron.com. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

Additional Updates

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

Abbreviations

Unless otherwise specified, all dollar figures stated herein are expressed in millions of Canadian dollars, except for: (i) tabular amounts which are in thousands of Canadian dollars; and (ii) per share or per tonne amounts. The following abbreviations and definitions are used throughout this press release: US\$ (United States dollar), C\$ (Canadian dollar), Fe (iron ore), wmt (wet metric tonnes), dmt (dry metric tonnes), Mtpa (million tonnes per annum), M (million), km (kilometers), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), Phase II (Phase II expansion project), DRPF (direct reduction pellet feed), GHG (greenhouse gas), G&A (general and administrative), P62 index (Platts IODEX 62% Fe CFR China index), P65 index (Platts IODEX 65% Fe CFR China index), C3 index (C3 Baltic Capesize index), CAPEX (capital expenditures), EBITDA (earnings before interest, tax, depreciation and amortization), AISC (all-in sustaining cost), EPS (earnings per share) and Management (Champion's management team). The utilization of "Champion" or the "Company" refers to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. "IFRS" refers to International Financial Reporting Standards.

For further information, please contact:

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For additional information on Champion Iron Limited, please visit our website at: www.championiron.com.

This document has been authorized for release to the market by the Chief Executive Officer of Champion Iron Limited, David Cataford.

The Company's unaudited Condensed Consolidated Financial Statements for the three and nine-month periods ended December 31, 2023 (the "Financial Statements") and associated Management's Discussion and Analysis ("MD&A") are available under the Company's profile on SEDAR+ (www.sedarplus.ca), on the ASX (www.asx.com.au) and the Company's website (www.championiron.com).

¹This is a non-IFRS financial measure, ratio or other financial measure. The 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 below — Non-IFRS and Other Financial Measures for definitions of these metrics and reconciliations to the most comparable IFRS measure when applicable. Additional details for these non-IFRS and other financial measures, have been incorporated by reference and can be found in section 21 of the Company's MD&A for the three and nine-month periods ended December 31, 2023, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and on the Company's website under the Investors section at www.championiron.com.

²See the "Currency" section of the MD&A for the three and nine-month periods ended December 31, 2023, included in note 7 — Key Drivers, available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and on the Company's website under the Investors section at www.championiron.com.

Non-IFRS and Other Financial Measures

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

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

EBITDA and EBITDA Margin

	Q3 FY24	Q2 FY24	Q3 FY23
(in thousands of dollars)			
Income before income and mining taxes	204,981	112,187	85,629
Net finance costs	8,747	11,634	1,858
Depreciation	32,881	31,215	30,719
EBITDA	246,609	155,036	118,206
Revenues	506,891	387,568	351,233
EBITDA margin	49%	40%	34%

Available Liquidity

	As at December 31, 2023	As at September 30, 2023
Cash and cash equivalents	387,373	316,530
Undrawn amounts under credit facilities	550,253	329,386
Available liquidity	937,626	645,916

C1 Cash Cost

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	3,227,500	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Cost of sales	235,457	212,584	209,070
Less: Bloom Lake Phase II start-up costs	—	—	(4,292)
	235,457	212,584	204,778
C1 cash cost (per dmt sold)	73.0	73.7	76.0

All-In Sustaining Cost

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	3,227,500	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Cost of sales	235,457	212,584	209,070
Less: Bloom Lake Phase II start-up costs	—	—	(4,292)
Sustaining capital expenditures	24,031	60,446	19,495
G&A expenses	11,206	12,729	9,212
	270,694	285,759	233,485
AISC (per dmt sold)	83.9	99.1	86.7

Cash Operating Margin and Cash Profit Margin

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	3,227,500	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Revenues	506,891	387,568	351,233
Net average realized selling price (per dmt sold)	157.1	134.4	130.4
AISC (per dmt sold)	83.9	99.1	86.7
Cash operating margin (per dmt sold)	73.2	35.3	43.7
Cash profit margin	47%	26%	34%

Gross Average Realized Selling Price per dmt Sold

	Q3 FY24	Q2 FY24	Q3 FY23
Iron ore concentrate sold (dmt)	3,227,500	2,883,800	2,694,200
(in thousands of dollars except per tonne)			
Revenues	506,891	387,568	351,233
Provisional pricing adjustments	(15,997)	(1,559)	5,205
Freight and other costs	140,971	102,411	105,987
Gross revenues	631,865	488,420	462,425
Gross average realized selling price (per dmt sold)	195.8	169.4	171.6