# Champion Iron Limited

**(ACN: 119 770 142)**

## Condensed Interim Consolidated Financial Statements
## For the Three-Month Periods Ended June 30, 2025 and 2024

(Expressed in thousands of Canadian dollars - unaudited)

# Champion Iron Limited

## Interim Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars - unaudited)

| | Notes | **As at June 30, 2025** | As at March 31, 2025 |
|---|---|---|---|
| **Assets** | | | |
| Current | | | |
| Cash and cash equivalents | | **176,054** | 117,451 |
| Receivables | **3** | **127,658** | 202,470 |
| Income and mining taxes receivable | | **2,745** | 3,173 |
| Prepaid expenses and advances | **4** | **54,861** | 51,722 |
| Inventories | **5** | **310,518** | 357,489 |
| | | **671,836** | 732,305 |
| Non-current | | | |
| Non-current investments | | **14,608** | 15,393 |
| Advance payments | **6** | **77,088** | 76,307 |
| Intangible assets | | **4,982** | 5,219 |
| Property, plant and equipment | **7** | **2,132,438** | 2,046,406 |
| Exploration and evaluation assets | | **153,285** | 148,029 |
| Other non-current assets | | **6,000** | 6,542 |
| **Total assets** | | **3,060,237** | 3,030,201 |
| **Liabilities** | | | |
| Current | | | |
| Accounts payable and other | **8** | **290,066** | 289,660 |
| Income and mining taxes payable | | **15,235** | 25,895 |
| Current portion of long-term debt | **9** | **56,272** | 40,725 |
| Current portion of provisions | **10** | **5,156** | 2,402 |
| | | **366,729** | 358,682 |
| Non-current | | | |
| Long-term debt | **9** | **687,174** | 666,576 |
| Deferred grant | **9** | **8,267** | 8,573 |
| Lease liabilities | | **86,959** | 78,619 |
| Provisions | **10** | **135,779** | 141,628 |
| Other long-term liabilities | | **15,546** | 15,620 |
| Net deferred tax liabilities | | **317,131** | 325,105 |
| **Total liabilities** | | **1,617,585** | 1,594,803 |
| **Shareholders' equity** | | | |
| Share capital | **11** | **470,085** | 411,047 |
| Contributed surplus | | **16,647** | 16,647 |
| Warrants | **11** | **—** | 22,288 |
| Foreign currency translation reserve | | **419** | 374 |
| Retained earnings | | **955,501** | 985,042 |
| **Total equity** | | **1,442,652** | 1,435,398 |
| **Total liabilities and equity** | | **3,060,237** | 3,030,201 |
| Commitments and contingencies | **17** | | |
| Subsequent events | **20** | | |

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

Approved on July 30, 2025 on behalf of the Board of Directors

/s/ Michael O'Keeffe
Executive Chairman

/s/ Gary Lawler
Lead Director

## Champion Iron Limited

Interim Consolidated Statements of Income

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

| | | Three Months Ended June 30, | |
|---|---|---|---|
| | Notes | 2025 | 2024 |
| **Revenues** | 12 | 390,027 | 467,084 |
| Cost of sales | 13 | (313,928) | (264,911) |
| Depreciation | 18 | (46,796) | (35,524) |
| **Gross profit** | | 29,303 | 166,649 |
| **Other expenses** | | | |
| Share-based payments | 11 | 317 | (2,392) |
| General and administrative expenses | | (12,581) | (12,350) |
| Sustainability and other community expenses | | (4,577) | (4,541) |
| Innovation and growth initiatives | | (1,871) | (1,876) |
| **Operating income** | | 10,591 | 145,490 |
| Net finance income (costs) | 14 | 13,256 | (8,259) |
| Other income | | 366 | 146 |
| **Income before income and mining taxes** | | 24,213 | 137,377 |
| Current income and mining taxes | | (8,403) | (41,180) |
| Deferred income and mining taxes | | 7,974 | (14,840) |
| **Net income** | | 23,784 | 81,357 |
| **Earnings per share** | | (in dollars) | (in dollars) |
| Basic | 15 | 0.05 | 0.16 |
| Diluted | 15 | 0.05 | 0.15 |
| **Weighted average number of ordinary shares outstanding** | | (in thousands) | (in thousands) |
| Basic | 15 | 522,702 | 518,080 |
| Diluted | 15 | 527,759 | 527,826 |

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

# Champion Iron Limited

## Interim Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars - unaudited)

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| **Net income** | **23,784** | 81,357 |
| **Other comprehensive income (loss)** | | |
| Item that may be reclassified subsequently to the consolidated statements of income | | |
| Net movement in foreign currency translation reserve | **45** | (11) |
| **Total other comprehensive income (loss)** | **45** | (11) |
| **Total comprehensive income** | **23,829** | 81,346 |

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

## Champion Iron Limited

Interim Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

| | | Attributable to Champion Shareholders | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Share Capital | | | | | | |
| | | Ordinary Shares | | | | | | |
| | Note | Shares[1] (in thousands) | $ | Contributed Surplus | Warrants | Foreign Currency Translation | Retained Earnings | Total |
| March 31, 2025 | | **518,251** | **411,047** | **16,647** | **22,288** | **374** | **985,042** | **1,435,398** |
| Net income | | **—** | **—** | **—** | **—** | **—** | **23,784** | **23,784** |
| Other comprehensive income | | **—** | **—** | **—** | **—** | **45** | **—** | **45** |
| Total comprehensive income | | **—** | **—** | **—** | **—** | **45** | **23,784** | **23,829** |
| Exercise of warrants | **11** | **15,000** | **59,038** | **—** | **(22,288)** | **—** | **—** | **36,750** |
| Dividends on ordinary shares | **11** | **—** | **—** | **—** | **—** | **—** | **(53,325)** | **(53,325)** |
| **June 30, 2025** | | **533,251** | **470,085** | **16,647** | **—** | **419** | **955,501** | **1,442,652** |
| | | | | | | | | |
| March 31, 2024 | | 518,071 | 409,785 | 17,372 | 22,288 | 429 | 946,636 | 1,396,510 |
| Net income | | — | — | — | — | — | 81,357 | 81,357 |
| Other comprehensive loss | | — | — | — | — | (11) | — | (11) |
| Total comprehensive income (loss) | | — | — | — | — | (11) | 81,357 | 81,346 |
| Release of performance share units | **11** | 30 | 189 | (403) | — | — | (4) | (218) |
| Dividends on ordinary shares | **11** | — | — | — | — | — | (51,810) | (51,810) |
| Share-based payments | **11** | — | — | 1 | — | — | — | 1 |
| June 30, 2024 | | 518,101 | 409,974 | 16,970 | 22,288 | 418 | 976,179 | 1,425,829 |

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

[1] All issued ordinary shares are fully paid and have no par value.

# Champion Iron Limited

## Interim Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars - unaudited)

| | Notes | Three Months Ended June 30, 2025 | 2024 |
|---|---|---|---|
| **Cash provided by (used in)** | | | |
| **Operating activities** | | | |
| Net income | | **23,784** | 81,357 |
| Adjustments for non-cash items | | | |
| Depreciation | **18** | **46,796** | 35,524 |
| Share-based payments | **11** | **(317)** | 2,392 |
| Change in fair value of non-current investments | **16** | **785** | (146) |
| Unrealized foreign exchange loss (gain) | | **(22,522)** | 306 |
| Accretion expense of provisions | **10, 14** | **695** | 334 |
| Amortization of transaction costs and accretion of long-term debt | **14** | **1,098** | 1,193 |
| Amortization of deferred grant | **9, 14** | **(306)** | (306) |
| Loss on disposal of property, plant and equipment | **7** | **118** | 1,214 |
| Deferred income and mining taxes | | **(7,974)** | 14,840 |
| Utilization of provisions | **10** | **(356)** | — |
| | | **41,801** | 136,708 |
| Changes in non-cash operating working capital | **18** | **39,331** | (105,314) |
| **Net cash flows from operating activities** | | **81,132** | 31,394 |
| **Investing activities** | | | |
| Increase in advance payments | **6** | **(5,297)** | (6,380) |
| Purchase of intangible assets | | **(505)** | — |
| Purchase of property, plant and equipment | **7, 18** | **(105,375)** | (115,461) |
| Investment in exploration and evaluation assets | | **(8,820)** | (2,571) |
| Increase in other non-current financial assets | | **10** | — |
| **Net cash flows used in investing activities** | | **(119,987)** | (124,412) |
| **Financing activities** | | | |
| Increase in restricted cash | | **—** | (34,837) |
| Issuance of long-term debt | **9** | **84,500** | — |
| Repayment of long-term debt | **9** | **(18,337)** | (12,636) |
| Transaction costs on long-term debt | **9** | **—** | (314) |
| Payment of lease liabilities | **18** | **(3,289)** | (1,760) |
| Exercise of warrants | **11** | **36,750** | — |
| Withholding taxes paid pursuant to the settlement of PSUs | **11** | **—** | (218) |
| **Net cash flows from (used in) financing activities** | | **99,624** | (49,765) |
| **Net increase (decrease) in cash and cash equivalents** | | **60,769** | (142,783) |
| Cash and cash equivalents, beginning of the period | | **117,451** | 400,061 |
| Effects of exchange rate changes on cash and cash equivalents | | **(2,166)** | 2,581 |
| **Cash and cash equivalents, end of the period** | | **176,054** | 259,859 |
| Interest paid | | **18,038** | 12,029 |
| Interest received | | **1,028** | 5,460 |
| Income and mining taxes paid | | **18,636** | 54,470 |

Should be read in conjunction with the notes to the condensed interim consolidated financial statements

# 1. Description of Business

Champion Iron Limited ("Champion" or the "Company") was incorporated under the laws of Australia in 2006 and is dual-listed on the Toronto Stock Exchange (TSX: CIA) and the Australian Securities Exchange (ASX: CIA), and trades on the OTCQX Best Market (OTCQX: CIAFF). The Company is domiciled in Australia and its principal administrative office is located on 1155 René-Lévesque Blvd. West, Suite 3300, Montréal, QC, H3B 3X7, Canada.

Champion, through its wholly-owned subsidiary Quebec Iron Ore Inc. ("QIO"), owns and operates the Bloom Lake Mining Complex ("Bloom Lake" or "Bloom Lake Mine"), 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 wet metric tonnes per year that produce lower 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, Champion is investing to upgrade half of the Bloom Lake's mine capacity to a direct reduction quality pellet feed iron ore with up to 69% Fe (the "DRPF Project"). Bloom Lake's high-grade and lower contaminant iron ore products have attracted a premium to the Platts IODEX 62% Fe iron ore benchmark. Champion ships iron ore concentrate from Bloom Lake by rail, to a ship loading port in Sept-Îles, Québec, and has delivered its iron ore concentrate globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns the Kamistiatusset mining properties, a project with an expected annual production of 9 million wet metric tonnes per year of direct reduction quality iron grading above 67.5% Fe (the "Kami Project"), located near available infrastructure and only 21 kilometres southeast of Bloom Lake. On July 21, 2025, Champion entered into a definitive framework agreement with Nippon Steel Corporation and Sojitz Corporation (collectively the "Partners") to form a partnership for the shared ownership and potential development of the Kami Project. Champion also owns a portfolio of exploration and development projects in the Labrador Trough, including the Cluster II portfolio of properties, located within 60 kilometres south of Bloom Lake.

# 2. Material Accounting Policy Information and Future Accounting Changes

### a) Basis of Preparation and Statement of Compliance

The Company's condensed interim consolidated financial statements ("financial statements") are for the group consisting of Champion Iron Limited and its subsidiaries.

These financial statements have been prepared for a for-profit enterprise in accordance with AAS 134/IAS 34, Interim Financial Reporting.

These financial statements do not include certain information and disclosures normally included in the audited annual consolidated financial statements prepared in accordance with Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2025.

These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and financial liabilities recorded at fair value.

The nature of the operations and principal activities of the Company are described in the Directors' Report for the year ended March 31, 2025.

These financial statements were approved and authorized for release by the Board of Directors (the "Board") on July 30, 2025.

### b) Material Accounting Policies

The accounting policies used in these financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2025, except for new accounting standards issued and adopted by the Company, which are described below.

### c) Material Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with AAS and IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 2. Material Accounting Policy Information and Future Accounting Changes (continued)

### d) New Accounting Amendments Issued and Adopted by the Company

No amendments to existing standards have been adopted by the Company on April 1, 2025.

### e) New Accounting Standards or Amendments Issued to be Adopted at a Later Date

The following amendments to existing standards and the new standard have been issued and are applicable to the Company for its annual period beginning on April 1, 2026, and thereafter, with an earlier application permitted:

***Amendments to AASB 9 (IFRS 9), Financial Instruments ("IFRS 9") and AASB 7 (IFRS 7), Financial Instruments: Disclosures ("IFRS 7")***

The amendments clarify that a financial liability is derecognized on the 'settlement date' and introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with Environmental, Social and Governance (ESG) linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments.

***AASB 18 (IFRS 18), Presentation and Disclosure in Financial Statements ("IFRS 18")***

IFRS 18 will replace IAS 1 - Presentation of Financial Statements and will require: i) income and expenses in the income statement to be classified into three new defined categories "Operating", "Investing" and "Financing" and two new subtotals "Operating profit or loss" and "Profit or loss before financing and income tax"; ii) disclosures about management-defined performance measures, which are non-IFRS measures related to the income statement, used in public communications to communicate management's view of the entity's financial performance; and iii) an appropriate level of aggregation and disaggregation based on similar characteristics and specific disclosure requirements for entities that present operating expenses by function in the income statement.

The Company is currently evaluating the impact of adopting the amendments and the new standard on the Company's consolidated financial statements.

## 3. Receivables

| | **As at June 30, 2025** | As at March 31, 2025 |
|---|---|---|
| Trade receivables (i) | **67,698** | 145,457 |
| Sales tax | **35,991** | 36,345 |
| Grant receivable | **2,543** | 2,543 |
| Other receivables (ii) | **21,426** | 18,125 |
| | **127,658** | 202,470 |

(i) As at June 30, 2025, the trade receivables, associated with revenues that remained subject to provisional pricing, represented a receivable balance of $37,999 (March 31, 2025: $70,410).

(ii) In October 2024, the Company entered into a memorandum of understanding ("MOU") with Nippon Steel Corporation and Sojitz Corporation to fund the completion of the feasibility study for the Kami Project. Under the terms of the MOU, the Partners agreed to share the costs of the feasibility study on a pro-rata basis of 30% and 19%, respectively, including expenditures already incurred by the Company prior to the signature of the MOU. During the three-month period ended June 30, 2025, the Company recorded $3,564 of refundable expenditures, with a corresponding reduction of exploration and evaluation assets, for a total receivable balance of $15,015 as at June 30, 2025 (March 31, 2025: $11,451).

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 4. Prepaid Expenses and Advances

| | | **As at June 30,** | As at March 31, |
|---|---|---|---|
| | **Note** | **2025** | 2025 |
| Railway transportation and terminal logistic (i) | | **37,615** | 36,644 |
| Port handling services | **6** | **3,879** | 3,965 |
| Insurance | | **5,810** | 1,028 |
| Other | | **7,557** | 10,085 |
| | | **54,861** | 51,722 |

(i) As at June 30, 2025, the railway transportation and terminal logistic prepaid included the current portion of railway services agreements of $15,266 (March 31, 2025: $16,706) and monthly prepayments pursuant to service agreements. Refer to note 6 — Advance Payments.

## 5. Inventories

| | **As at June 30,** | As at March 31, |
|---|---|---|
| | **2025** | 2025 |
| Stockpiled ore | **42,487** | 47,048 |
| Iron ore concentrate inventories | **148,227** | 189,955 |
| Supplies and spare parts | **119,804** | 120,486 |
| | **310,518** | 357,489 |

For the three-month period ended June 30, 2025, the amount of inventories recognized as an expense totalled $360,724 (three-month period ended June 30, 2024: $300,435).

## 6. Advance Payments

| | | **As at June 30,** | As at March 31, |
|---|---|---|---|
| | **Note** | **2025** | 2025 |
| Advance payments related to railway transportation and terminal logistic (i) | | **30,095** | 34,780 |
| Prepaid future port handling services (ii) | | **18,373** | 18,484 |
| Other long-term advance (iii) | | **47,765** | 43,714 |
| | | **96,233** | 96,978 |
| Less current portion classified in "Prepaid expenses and advances" | **4** | **(19,145)** | (20,671) |
| | | **77,088** | 76,307 |

(i) In October 2017, the Company entered into a railway and stockyard facilities access agreement with Société Ferroviaire et Portuaire de Pointe-Noire ("SFP Pointe-Noire") for the transportation, unloading, stockpiling and loading of iron ore concentrate from Sept-Îles to Pointe-Noire, Québec. In connection with the agreement, the Company makes annual payments of $3,750 to SFP Pointe-Noire to cover the investments made at the time with respect to a portion of the infrastructure. Advance payments are amortized over the life of mine. As at June 30, 2025, the related advance payments amounted to $14,829 (March 31, 2025: $15,247).

In April 2021, the Company entered into an agreement to expand an existing long-term rail contract with a third-party railway services provider to accommodate the anticipated increased production volumes associated with its second plant. Advance payments are recovered by means of a monthly credit per tonne hauled exceeding a predetermined tonnage. In connection with this agreement, the remaining advance payments totalled $15,266 as at June 30, 2025 (March 31, 2025: $19,533) and are fully included under Prepaid expenses and advances in the consolidated statements of financial position (March 31, 2025: current portion of $16,706).

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 6. Advance Payments (continued)

(ii) Pursuant to the agreement between the Company and the Sept-Îles Port Authority ("Port"), the Company made an advance payment on its future shipping, wharfage and equipment fees. Advance payments totalled $18,373 as at June 30, 2025 (March 31, 2025: $18,484) and are recovered by means of a monthly credit per tonne sold. The current portion of the port advances totalled $3,879 as at June 30, 2025 (March 31, 2025: $3,965) and is included under Prepaid expenses and advances in the consolidated statements of financial position.

(iii) The other long-term advance totalled $47,765 as at June 30, 2025 (March 31, 2025: $43,714) and relates to amounts paid to SFP Pointe-Noire annually which are recoverable under the guarantee access agreement if certain conditions are met. It also includes advance payments for major replacement parts, transshipment and rail assets improvement expenditures incurred by railway and port service providers, which are amortized in the Cost of sales based on the expected useful life of the assets.

The additional investments related to capital maintenance expenditures are presented under the Investing activities in the consolidated statements of cash flows, on the line advance payments, and totalled $5,297 for the three-month period ended June 30, 2025 (three-month period ended June 30, 2024: $6,380).

## 7. Property, Plant and Equipment

| | Mining and Processing Equipment | Locomotives, Railcars and Rails (i) | Tailings Dikes | Assets under Construction (ii) | Mining Development and Stripping Asset | Asset Rehabilitation Obligation and Other | Subtotal | Right-of-use Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| March 31, 2025 | **968,446** | **137,378** | **358,058** | **365,876** | **276,090** | **157,542** | **2,263,390** | **214,090** | **2,477,480** |
| Additions | **19,536** | **—** | **—** | **74,197** | **12,821** | **625** | **107,179** | **29,170** | **136,349** |
| Disposals and lease modifications | **(156)** | **—** | **—** | **—** | **—** | **—** | **(156)** | **(3,652)** | **(3,808)** |
| Transfers | **10,531** | **134** | **14** | **(11,717)** | **—** | **1,038** | **—** | **—** | **—** |
| Foreign exchange and other | **—** | **(2,502)** | **—** | **—** | **(467)** | **(3,592)** | **(6,561)** | **—** | **(6,561)** |
| **June 30, 2025** | **998,357** | **135,010** | **358,072** | **428,356** | **288,444** | **155,613** | **2,363,852** | **239,608** | **2,603,460** |
| **Accumulated depreciation** | | | | | | | | | |
| March 31, 2025 | **218,534** | **19,830** | **49,432** | **—** | **94,880** | **23,099** | **405,775** | **25,299** | **431,074** |
| Depreciation | **25,241** | **1,497** | **4,968** | **—** | **1,966** | **1,951** | **35,623** | **5,202** | **40,825** |
| Disposals | **(38)** | **—** | **—** | **—** | **—** | **—** | **(38)** | **—** | **(38)** |
| Foreign exchange and other | **—** | **(839)** | **—** | **—** | **—** | **—** | **(839)** | **—** | **(839)** |
| **June 30, 2025** | **243,737** | **20,488** | **54,400** | **—** | **96,846** | **25,050** | **440,521** | **30,501** | **471,022** |
| **Net book value - June 30, 2025** | **754,620** | **114,522** | **303,672** | **428,356** | **191,598** | **130,563** | **1,923,331** | **209,107** | **2,132,438** |

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 7. Property, Plant and Equipment (continued)

| | Mining and Processing Equipment | Locomotives, Railcars and Rails (i) | Tailings Dikes | Assets under Construction (ii) | Mining Development and Stripping Asset | Asset Rehabilitation Obligation and Other | Subtotal | Right-of-use Assets | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| March 31, 2024 | 880,602 | 64,797 | 285,458 | 153,508 | 155,916 | 124,854 | 1,665,135 | 200,366 | 1,865,501 |
| Additions | 66,854 | 69,764 | — | 377,257 | 116,895 | 2,024 | 632,794 | 25,315 | 658,109 |
| Disposals and lease terminations | (37,353) | — | (460) | — | (305) | (1,466) | (39,584) | (11,591) | (51,175) |
| Transfers | 58,343 | — | 73,060 | (164,889) | 3,162 | 30,324 | — | — | — |
| Foreign exchange and other | — | 2,817 | — | — | 422 | 1,806 | 5,045 | — | 5,045 |
| March 31, 2025 | 968,446 | 137,378 | 358,058 | 365,876 | 276,090 | 157,542 | 2,263,390 | 214,090 | 2,477,480 |
| **Accumulated depreciation** | | | | | | | | | |
| March 31, 2024 | 159,586 | 15,013 | 33,943 | — | 74,754 | 15,999 | 299,295 | 20,245 | 319,540 |
| Depreciation | 92,532 | 3,933 | 15,949 | — | 20,244 | 7,410 | 140,068 | 15,682 | 155,750 |
| Disposals and lease terminations | (33,584) | — | (460) | — | (305) | (123) | (34,472) | (10,628) | (45,100) |
| Transfers | — | — | — | — | 187 | (187) | — | — | — |
| Foreign exchange and other | — | 884 | — | — | — | — | 884 | — | 884 |
| March 31, 2025 | 218,534 | 19,830 | 49,432 | — | 94,880 | 23,099 | 405,775 | 25,299 | 431,074 |
| Net book value - March 31, 2025 | 749,912 | 117,548 | 308,626 | 365,876 | 181,210 | 134,443 | 1,857,615 | 188,791 | 2,046,406 |

(i) Certain of the Company's railcars are subject to a rental agreement. As at June 30, 2025, 240 railcars with a net book value of $40,415 were leased under an operating lease contract (March 31, 2025: 240 railcars with a net book value of $40,865). Rental income is included in Other income in the consolidated statements of income.

(ii) For the three-month period ended June 30, 2025, the amount of borrowing costs capitalized during the development period of the DRPF Project was $6,651 (three-month period ended June 30, 2024: $2,406). Borrowing costs consisted of interest expense and amortization of transaction costs on the long-term debt. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the three-month period ended June 30, 2025, was 7.2% (three-month period ended June 30, 2024: 7.7%).

## 8. Accounts Payable and Other

| | Note | **As at June 30, 2025** | As at March 31, 2025 |
|---|---|---|---|
| Trade payable and accrued liabilities | | **186,376** | 232,944 |
| Dividend declared | **11** | **53,325** | — |
| Wages and benefits | | **29,774** | 39,456 |
| Cash-settled share-based payment liability | **11** | **530** | 3,544 |
| Current portion of lease liabilities | | **20,061** | 13,716 |
| | | **290,066** | 289,660 |

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 9. Long-Term Debt

| | Interest Rate (i) | Maturity | **As at June 30, 2025** | As at March 31, 2025 |
|---|---|---|---|---|
| Term Loan | SOFR + 2.25% to 3.25% | November 29, 2028 | **311,881** | 328,560 |
| Revolving Facility | SOFR + 2.00% to 3.00% | November 29, 2027 | **143,251** | 71,880 |
| IQ Loan | 3.70% | April 1, 2032 | **39,734** | 45,798 |
| FTQ Loan | 7.75% | May 21, 2028 | **74,164** | 74,095 |
| CAT Financing (ii) | SOFR + 2.35% to 3.25% | July 2025 to October 2030 | **109,030** | 117,053 |
| Railcars Loan | 6.66% and 6.57% | November 22 and December 4, 2034 | **65,386** | 69,915 |
| | | | **743,446** | 707,301 |
| Less current portion | | | **(56,272)** | (40,725) |
| | | | **687,174** | 666,576 |

(i) The interest rate of the Senior Credit Facilities and the CAT Financing is based on Secured Overnight Financing Rate ("SOFR"), plus a credit spread adjustment and a financial margin. For the Senior Credit Facilities, the financial margin fluctuates depending on the net debt to EBITDA ratio.

(ii) The CAT Financing matures between 3 and 6 years depending on the equipment.

| | **As at June 30, 2025** | As at March 31, 2025 |
|---|---|---|
| Face value of long-term debt | **753,366** | 717,967 |
| Unamortized transaction costs | **(9,920)** | (10,666) |
| **Long-term debt, net of transaction costs** | **743,446** | 707,301 |

The Senior Credit Facilities, FTQ Loan and the CAT Financing are subject to operational and financial covenants, all of which have been met as at June 30, 2025. The undrawn portion of the Senior Credit Facilities and the CAT Financing is subject to standby commitment fees varying from 0.50% to 0.75%.

***Senior Credit Facilities***

On November 29, 2023, the Company completed a US$230,000,000 five-year term loan (the "Term Loan") with a syndicate of lenders and extended the maturity of its existing US$400,000,000 general purpose Revolving Facility to November 2027 (collectively the "Senior Credit Facilities"). Transaction costs associated with the Revolving Facility were classified in Other non-current assets in the consolidated statements of financial position and transaction costs associated with the Term Loan were presented as a reduction of the Long-term debt.

The Senior Credit Facilities may be repaid at any time at the discretion of the Company. The Term Loan is payable quarterly starting in June 2026, with additional mandatory repayments in the event of excess cash flow, based on EBITDA calculation and limited to US$60,000,000 per year.

Collateral is comprised of all of the present and future undertakings, properties and assets of QIO and Lac Bloom Railcars Corporation Inc. The Company guaranteed all the obligations of QIO and Lac Bloom Railcars Corporation Inc. and pledged all of the shares it holds in QIO and Lac Bloom Railcars Corporation Inc.

During the three-month period ended June 30, 2025, the Company drew $76,004 (US$55,000,000) on the Revolving Facility (three-month period ended June 30, 2024: nil), resulting in an outstanding balance of $143,251 (US$105,000,000) as at June 30, 2025 (March 31, 2025: $71,880 (US$50,000,000)). As at June 30, 2025, the Company had $41,900 letters of credit issued under the $402,469 (US$295,000,000) available portion of the Revolving Facility.

As at June 30, 2025, the Term Loan balance was $313,789 (US$230,000,000) (March 31, 2025: $330,648 (US$230,000,000)). For the three-month period ended June 30, 2025, the weighted average interest rate was 7.21% (three-month period ended June 30, 2024: 7.74%).

The Senior Credit Facilities were fully repaid in July 2025. Refer to note 20 — Subsequent Events.

## 9. Long-Term Debt (continued)

***IQ Loan***

On July 21, 2021, QIO entered into an unsecured loan agreement with Investissement Québec (the "IQ Loan") to finance the Company's share of the increase in transshipment capacity by SFP Pointe-Noire for an amount up to $70,000. The repayment commenced on April 1, 2022, in ten equal annual installments of the principal balance outstanding. The agreement comprises an option to prepay the loan at any time without penalty.

The IQ Loan was determined to be at a below-market rate. The fair value of the total advances of $70,000 was estimated at $59,386 and was determined based on the prevailing market interest rate for a similar instrument at the time the advances were made. The residual amount of $10,614 was recognized as a government grant and presented as a Deferred grant in the consolidated statements of financial position. The deferred grant is amortized on a straight-line basis over the loan maturity starting in September 2023 when SFP Pointe-Noire's new infrastructure became available for use. The remaining deferred grant as at June 30, 2025 totalled $8,267 (March 31, 2025: $8,573).

During the three-month period ended June 30, 2025, the Company repaid $6,400 (three-month period ended June 30, 2024: $6,400). The remaining IQ Loan balance was $44,800 as at June 30, 2025 (March 31, 2025: $51,200).

***FTQ Loan***

On May 21, 2021, QIO entered into an unsecured loan agreement with Fonds de Solidarité des Travailleurs du Québec (the "FTQ Loan") to fund the completion of the Bloom Lake expansion project and for general purposes thereafter for an amount up to $75,000. The FTQ Loan includes an option to prepay in whole or in part at any time, but not prior to the second anniversary, by paying a premium that varies from 2% to 6% based on the prepayment date. The outstanding balance was $75,000 as at June 30, 2025 (March 31, 2025: $75,000).

***CAT Financing***

On April 1, 2021, the Company signed an agreement with Caterpillar Financial Services Limited (the "CAT Financing") to finance mining equipment required for the Bloom Lake expansion for a facility of up to US$75,000,000 and available until March 31, 2023. Over the years, the facility was increased by US$73,000,000 and the availability period extended to July 2025. Transaction costs of $314 were incurred in the three-month period ended June 30, 2024, for amendments to the agreement.

The CAT Financing includes an option to prepay the loan without penalty at any time and is collateralized by all of the financed equipment. The carrying value of the financed equipment was $97,085 as at June 30, 2025 (March 31, 2025: $98,849).

During the three-month period ended June 30, 2025, the Company drew $8,496 (US$6,228,000) and repaid $10,966 (US$7,772,000) (three-month period ended June 30, 2024: drawdown of nil and repayment of $6,236), resulting in a balance of $110,503 (US$80,996,000) as at June 30, 2025 (March 31, 2025: $118,660 (US$82,540,000)).

For the three-month period ended June 30, 2025, the weighted average interest rate was 7.17% (three-month period ended June 30, 2024: 8.71%).

***Railcars Loan***

On November 1, 2024, the Company signed a loan agreement (the "Railcars Loan") to finance the purchase of 400 railcars for a facility of US$49,897,000. The Railcars Loan consists of two equal equipment notes payable in 120 progressive monthly installments, with final payments of US$5,872,000 and US$5,861,000 at their respective maturities.

The Railcars Loan includes an option to prepay in whole at any time, but not prior to the second anniversary, by paying a premium of 1% of the amount prepaid for each remaining year of the loan. The Railcars Loan is collateralized by all the financed railcars. The carrying value of the financed railcars was $67,358 as at June 30, 2025 (March 31, 2025: $68,109).

During the three-month period ended June 30, 2025, the Company repaid $971 (US$701,000), resulting in a balance of $66,023 (US$48,393,000) as at June 30, 2025 (March 31, 2025: $70,579 (US$49,094,000)).

## 10. Provisions

| | Note | Rehabilitation obligation | Compensation plans' obligation | Total |
|---|---|---|---|---|
| March 31, 2025 | | **89,711** | **54,319** | **144,030** |
| Additions to the obligation | | **625** | **—** | **625** |
| Utilization | | **—** | **(356)** | **(356)** |
| Accretion expense | **14** | **306** | **389** | **695** |
| Effect of change in discount rate | | **(3,592)** | **(467)** | **(4,059)** |
| **June 30, 2025** | | **87,050** | **53,885** | **140,935** |
| Less current portion | | **—** | **(5,156)** | **(5,156)** |
| | | **87,050** | **48,729** | **135,779** |

| | Rehabilitation obligation | Compensation plans' obligation | Total |
|---|---|---|---|
| March 31, 2024 | 84,593 | — | 84,593 |
| Additions to the obligation | 2,020 | 53,710 | 55,730 |
| Utilization | — | (238) | (238) |
| Accretion expense | 1,292 | 425 | 1,717 |
| Effect of change in discount rate | 1,806 | 422 | 2,228 |
| March 31, 2025 | 89,711 | 54,319 | 144,030 |
| Less current portion | — | (2,402) | (2,402) |
| | 89,711 | 51,917 | 141,628 |

## 11. Share Capital and Reserves

### a) Authorized

The Company's share capital consists of authorized:

- Unlimited number of ordinary shares, without par value; and
- Unlimited number of preferred shares, without par value, issuable in series.

### b) Ordinary Shares

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| | (in thousands) | (in thousands) |
| **Opening balance** | **518,251** | 518,071 |
| Shares issued for exercise of warrants | **15,000** | — |
| Shares issued for release of performance share units — incentive plan | **—** | 30 |
| **Ending balance** | **533,251** | 518,101 |

### c) Dividends

The following table details the dividends declared on the Company's ordinary shares:

| Results Period | Montréal Declaration Date | Payment Date | Amount per Share | Three Months Ended June 30, 2025 | 2024 |
|---|---|---|---|---|---|
| Final — Mar-25 | May 29, 2025 | July 10, 2025 | 0.10 | **53,325** | — |
| Final — Mar-24 | May 30, 2024 | July 3, 2024 | 0.10 | **—** | 51,810 |
| | | | | **53,325** | 51,810 |

The dividend declared in May 2025 was included in Accounts payable and other in the consolidated statements of financial position until the payment date.

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 11. Share Capital and Reserves (continued)

### d) Share-Based Payments

The Company has various share-based compensation plans for eligible employees and directors. The objective of the Omnibus incentive plan is to enhance the Company's ability to attract and retain talented employees and to provide the alignment of interests between such employees and the shareholders of the Company. Under the Omnibus incentive plan, the Company may grant stock option awards, restricted share unit ("RSU") awards, performance share unit ("PSU") awards and deferred share unit ("DSU") awards. If and when cash dividends are declared, the holders of RSUs, PSUs and DSUs are entitled to receive a dividend equivalent.

Stock option and RSU awards vest annually in three equal tranches from the date of grant. PSU awards vest i) at the end of three years from the date of grant or ii) according to the date of achievement when the PSUs are specific to a project. Vesting is subject to key performance indicators established by the Board. DSU awards vest at the date of grant. The cash consideration for awards settled through cash payment is included in Accounts payable and other under the Changes in non-cash operating working capital in the consolidated statements of cash flows.

As at June 30, 2025, the Company is authorized to issue 53,325,000 stock options and share rights (June 30, 2024: 51,810,000) equal to 10% (June 30, 2024: 10%) of the issued and outstanding ordinary shares for issuance under the Omnibus incentive plan.

The following table summarizes the share-based payment expense (recovery):

| | **Three Months Ended June 30,** | |
|---|---|---|
| | **2025** | 2024 |
| RSU | **(90)** | 591 |
| PSU | **76** | 1,956 |
| DSU | **(303)** | (155) |
| | **(317)** | 2,392 |

For the three-month period ended June 30, 2025, the amount recognized as share-based payment recovery related to cash-settled awards was $317 (three-month period ended June 30, 2024: share-based payment expense of $2,391 related to cash-settled awards and $1 related to equity-settled awards).

The following table summarizes the carrying amount of the Company's cash-settled share-based payment liability in the consolidated statements of financial position for PSUs, RSUs and DSUs.

| | **As at June 30,** | As at March 31, |
|---|---|---|
| | **2025** | 2025 |
| Accounts payable and other | **530** | 3,544 |
| Other long-term liabilities | **11,140** | 11,126 |
| | **11,670** | 14,670 |

### e) Stock Options

As at June 30, 2025, the Company had no stock options outstanding (June 30, 2024: 150,000 stock options outstanding and exercisable at a weighted average exercise price of $5.00). During the three-month periods ended June 30, 2025 and 2024, no activities occurred in connection with stock options.

## 11. Share Capital and Reserves (continued)

### f) Restricted Share Units

The following table details the RSU activities of the share incentive plan:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | | 2025 | | 2024 |
| | Number of RSUs | Weighted Average Share Price | Number of RSUs | Weighted Average Share Price |
| | (in thousands) | | (in thousands) | |
| **Opening balance** | **2,007** | **5.67** | 1,510 | 5.62 |
| Granted | **1,299** | **3.84** | 763 | 5.94 |
| Dividend equivalents | **75** | **3.95** | 33 | 6.02 |
| Settled through cash payment | **(327)** | **6.78** | (274) | 6.14 |
| Forfeited | **(4)** | **5.68** | (13) | 5.39 |
| **Ending balance** | **3,050** | **4.73** | 2,019 | 5.68 |
| **Vested - end of the period** | **619** | **5.36** | 271 | 6.45 |

During the three-month period ended June 30, 2025, 1,299,000 RSUs were granted to key management personnel (three-month period ended June 30, 2024: 763,000 RSUs).

During the three-month period ended June 30, 2025, 327,000 RSUs were settled in exchange for cash consideration based on a weighted average share price at the settlement date of $3.84 (three-month period ended June 30, 2024: 274,000 RSUs based on a weighted average share price at the settlement date of $6.10).

### g) Performance Share Units

The Company assesses each reporting period if performance criteria of share-based units will be achieved in measuring the share-based payments. The actual share-based payment and the period over which the expense is being recognized may vary from the estimate.

The following table details the PSU activities of the share incentive plan:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | | 2025 | | 2024 |
| | Number of PSUs | Weighted Average Share Price | Number of PSUs | Weighted Average Share Price |
| | (in thousands) | | (in thousands) | |
| **Opening balance** | **2,799** | **5.74** | 2,212 | 5.74 |
| Granted | **1,949** | **3.84** | 1,145 | 5.94 |
| Dividend equivalents | **108** | **3.95** | 46 | 6.02 |
| Settled through cash payment | **(485)** | **6.78** | (500) | 6.20 |
| Forfeited | **(6)** | **5.75** | (19) | 5.32 |
| Released through the issuance of ordinary shares | **—** | **—** | (30) | 6.16 |
| Withheld as payment of withholding taxes | **—** | **—** | (34) | 6.16 |
| **Ending balance** | **4,365** | **4.73** | 2,820 | 5.75 |
| **Vested - end of the period** | **—** | **—** | — | — |

During the three-month period ended June 30, 2025, 1,949,000 PSUs were granted to key management personnel (three-month period ended June 30, 2024: 1,145,000 PSUs) and no PSUs were released through the issuance of ordinary shares (three-month period ended June 30, 2024: 30,000 PSUs at a weighted average share price at the release date of $6.46 and related withholding taxes paid of $218 resulting in the Company not issuing an additional 34,000 PSUs).

During the three-month period ended June 30, 2025, 485,000 PSUs were settled in exchange for cash consideration based on a weighted average share price at the settlement date of $3.84 (three-month period ended June 30, 2024: 500,000 PSUs based on a weighted average share price at the settlement date of $6.17).

## 11. Share Capital and Reserves (continued)

### h) Deferred Share Units

The following table details the DSU activities of the share incentive plan:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2025** | | 2024 | |
| | **Number of DSUs** | **Weighted Average Share Price** | **Number of DSUs** | **Weighted Average Share Price** |
| | (in thousands) | | (in thousands) | |
| **Opening balance** | **492** | **5.00** | 336 | 4.72 |
| Dividend equivalents | **12** | **4.57** | 6 | 6.23 |
| **Ending balance** | **504** | **4.99** | 342 | 4.75 |
| **Vested - end of the period** | **504** | **4.99** | 342 | 4.75 |

### i) Warrants

As at June 30, 2025, the Company had no warrants outstanding (June 30, 2024: 15,000,000 warrants outstanding and exercisable). During the three-month period ended June 30, 2025, the 15,000,000 warrants were exercised at an exercise price of $2.45.

## 12. Revenues

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| Iron ore revenue | **416,579** | 439,137 |
| Provisional pricing adjustments | **(26,552)** | 27,947 |
| | **390,027** | 467,084 |

Quarterly provisional pricing adjustments represent subsequent changes to revenue attributable to iron ore concentrate sold in prior quarters based on the final settlement price. Changes to previous periods sales that were subject to provisional pricing as at March 31, 2025, and for which the final price was determined during the current quarter, were recorded within Provisional pricing adjustments in the current period. Current period sales subject to provisional pricing as at June 30, 2025, were recorded within Iron ore revenue in the current period and the adjustment upon determining the final price will be recorded as Provisional pricing adjustments in the future periods.

During the three-month period ended June 30, 2025, a final price was established for the 2.7 million tonnes of iron ore that were subject to provisional pricing as at March 31, 2025, resulting in negative provisional pricing adjustments of $26,552 recorded as a decrease of revenues. As at June 30, 2025, 2.5 million tonnes of iron ore sales remained subject to provisional pricing, with the final price to be determined in the subsequent reporting periods (June 30, 2024: 1.8 million tonnes).

## 13. Cost of Sales

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| Mining and processing costs | **183,217** | 180,012 |
| Change in iron ore concentrate inventories | **37,539** | (2,174) |
| Land transportation and port handling | **93,172** | 87,073 |
| | **313,928** | 264,911 |

For the three-month period ended June 30, 2025, expenses for defined contribution plans amounted to $4,322, of which $3,910 were recorded in Cost of sales (three-month period ended June 30, 2024: $4,833, including $4,104 in Cost of sales) and are presented in Mining and processing costs.

## 14. Net Finance Costs (Income)

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| Interest expense on long-term debt | **6,177** | 7,936 |
| Amortization of transaction costs and accretion of long-term debt | **1,098** | 1,193 |
| Standby commitment fees on long-term debt | **623** | 678 |
| Interest expense on lease liabilities | **1,448** | 1,020 |
| Realized and unrealized foreign exchange loss (gain) | **(22,490)** | 524 |
| Amortization of deferred grant | **(306)** | (306) |
| Interest income | **(1,018)** | (4,795) |
| Accretion expense of provisions | **695** | 334 |
| Other finance costs | **517** | 1,675 |
| | **(13,256)** | 8,259 |

During the development period of the DRPF Project, borrowing costs are capitalized. Refer to note 7 — Property, Plant and Equipment.

## 15. Earnings per Share

Earnings per share amounts are calculated by dividing the net income by the weighted average number of shares outstanding during the period.

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| Net income | **23,784** | 81,357 |
| | (in thousands) | (in thousands) |
| Weighted average number of common shares outstanding - Basic | **522,702** | 518,080 |
| Dilutive share options, warrants and equity settled awards | **5,057** | 9,746 |
| Weighted average number of outstanding shares - Diluted | **527,759** | 527,826 |
| | (in dollars) | (in dollars) |
| Basic earnings per share | **0.05** | 0.16 |
| Diluted earnings per share | **0.05** | 0.15 |

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 16. Financial Instruments

### a) Measurement Categories

Financial assets and financial liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the profit or loss or in other comprehensive income. These categories are financial assets and financial liabilities at fair value through profit or loss ("FVTPL"), financial assets at amortized cost, and financial liabilities at amortized cost. The following tables show the carrying values and the fair value of assets and liabilities for each of these categories:

| As at June 30, 2025 | | Financial Instruments at FVTPL | Financial Assets at Amortized Cost | Financial Liabilities at Amortized Cost | Total Carrying Amount and Fair Value |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current | | | | | |
| Cash and cash equivalents | Level 1 | **—** | **176,054** | — | **176,054** |
| Trade receivables | Level 2 | **38,469** | **29,229** | — | **67,698** |
| Other receivables (excluding sales tax and grant) | Level 2 | **—** | **21,426** | **—** | **21,426** |
| | | **38,469** | **226,709** | **—** | **265,178** |
| Non-current | | | | | |
| Equity investment in a publicly listed entity (included in non-current investments) | Level 1 | **9** | **—** | — | **9** |
| Equity investment in a private entity (included in non-current investments) | Level 3 | **14,599** | **—** | — | **14,599** |
| Other non-current financial assets | Level 1 | — | **840** | — | **840** |
| | | **53,077** | **227,549** | **—** | **280,626** |
| **Liabilities** | | | | | |
| Current | | | | | |
| Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability) | Level 2 | **—** | **—** | **269,475** | **269,475** |
| Current portion of long-term debt | Level 3 | **—** | **—** | **56,272** | **56,272** |
| | | **—** | **—** | **325,747** | **325,747** |
| Non-current | | | | | |
| Long-term debt | Level 3 | **—** | **—** | **687,174** | **687,174** |
| | | **—** | **—** | **1,012,921** | **1,012,921** |

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 16. Financial Instruments (continued)

### a) Measurement Categories (continued)

| As at March 31, 2025 | | Financial Instruments at FVTPL | Financial Assets at Amortized Cost | Financial Liabilities at Amortized Cost | Total Carrying Amount and Fair Value |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current | | | | | |
| Cash and cash equivalents | Level 1 | — | 117,451 | — | 117,451 |
| Trade receivables | Level 2 | 119,345 | 26,112 | — | 145,457 |
| Other receivables (excluding sales tax and grant) | Level 2 | — | 18,125 | — | 18,125 |
| | | 119,345 | 161,688 | — | 281,033 |
| Non-current | | | | | |
| Equity investment in a publicly listed entity (included in non-current investments) | Level 1 | 9 | — | — | 9 |
| Equity investment in a private entity (included in non-current investments) | Level 3 | 15,384 | — | — | 15,384 |
| Other non-current financial assets | Level 1 | — | 850 | — | 850 |
| | | 134,738 | 162,538 | — | 297,276 |
| **Liabilities** | | | | | |
| Current | | | | | |
| Accounts payable and other (excluding the current portion of lease liabilities and cash-settled share-based payment liability) | Level 2 | — | — | 272,400 | 272,400 |
| Current portion of long-term debt | Level 3 | — | — | 40,725 | 40,725 |
| | | — | — | 313,125 | 313,125 |
| Non-current | | | | | |
| Long-term debt | Level 3 | — | — | 666,576 | 666,576 |
| | | — | — | 979,701 | 979,701 |

Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities; this includes cash and cash equivalents, short-term investments and restricted cash if any, other receivables, and accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability). Long-term debt was accounted for at amortized cost using the effective interest method, and its fair value approximate its carrying value, given that it is subject to terms and conditions, including variable interest rates, similar to those available to the Company for instruments with comparable terms.

### b) Fair Value Measurement Hierarchy

Subsequent to initial recognition, the Company uses a fair value hierarchy to categorize the inputs used to measure the financial instruments at fair value grouped into the following levels based on the degree to which the fair value is observable.

- Level 1: Inputs derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs derived from other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, Level 2 and Level 3 during the three-month period ended June 30, 2025 (three-month period ended June 30, 2024: nil).

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 16. Financial Instruments (continued)

### c) Financial Instruments Measured at FVTPL

***Trade receivables***

The trade receivables are classified as Level 2 in the fair value hierarchy. Their fair values are a recurring measurement. The measurement of the trade receivables is impacted by the Company's provisional pricing arrangements, where the final sale price is determined based on iron ore prices subsequent to the date of the sale. The Company initially recognizes sales trade receivables at the contracted provisional price on the shipment date and re-estimates the consideration to be received using forecast iron ore prices at the end of each reporting period. The impact of iron ore price movements until the final settlement is recorded as an adjustment to sales trade receivables.

***Equity instruments publicly listed***

Equity instruments publicly listed are classified as a Level 1 in the fair value hierarchy. Their fair values are a recurring measurement and are estimated using the closing share price observed on the relevant stock exchange. No fair value adjustment was recorded in the consolidated statements of income during the three-month period ended June 30, 2025 (three-month period ended June 30, 2024: nil).

***Equity instruments in private entity***

The Company holds equity instruments in a European-based private entity which collaborates with the Company in industrial trials related to cold pelletizing technologies. The fair value of the equity instruments is a recurring measurement and it is classified as Level 3. The determination of fair value is conducted on a quarterly basis and it is based on the entity's financial performance from the latest financial statements as well as enterprise values used in financing, if any. The change in fair value also reflects the foreign exchange gains or losses.

During the three-month period ended June 30, 2025, the Company recognized a decrease in the fair value of the equity instruments, amounting to $785 attributable to the changes in exchange rates (three-month period ended June 30, 2024: increase of $146).

As at June 30, 2025, the equity instruments totalled $14,599 (March 31, 2025: $15,384).

## 17. Commitments and Contingencies

The Company's future minimum payments of commitments as at June 30, 2025 are as follows:

| | Less than a year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Impact and Benefits Agreement with the Innu community | **7,748** | **34,819** | **125,352** | **167,919** |
| Take-or-pay fees related to the Port Agreement | **8,113** | **36,154** | **100,706** | **144,973** |
| Capital expenditure obligations | **44,224** | **—** | **—** | **44,224** |
| Other obligations | **63,685** | **9,798** | **150** | **73,633** |
| | **123,770** | **80,771** | **226,208** | **430,749** |

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

In December 2024, Champion entered into a binding agreement with two partners to form a partnership (the "Partnership") for the joint ownership and potential development of the Kami Project upon certain conditions, including entering into definitive agreements and the completion of a definitive feasibility study. In July 2025, the Company and the Partners entered into a definitive framework agreement. Refer to note 20 — Subsequent Events.

In relation to the Kami Project and contingent upon the closing of the Transaction with the Partners, the Partnership will be subject to:

- A gross sales royalty on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products; and
- An education and training fund for local communities.

Contingent upon the Kami Project advancing to commercial production, the Company 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.

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 18. Financial Information Included in the Consolidated Statements of Cash Flows

### a) Changes in non-cash operating working capital

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| Receivables | **68,949** | (94,075) |
| Prepaid expenses and advances | **(6,734)** | (8,808) |
| Inventories | **40,743** | (488) |
| Advance payments | **4,516** | 5,333 |
| Accounts payable and other | **(55,313)** | 12,244 |
| Income and mining taxes receivable or payable | **(10,232)** | (13,290) |
| Other long-term liabilities | **(2,598)** | (6,230) |
| | **39,331** | (105,314) |

### b) Reconciliation of additions presented in the property, plant and equipment schedule to the net cash flows used in investing activities

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| **Additions of property, plant and equipment as per note 7** | **136,349** | 116,645 |
| Additions of right-of-use assets | **(29,170)** | (850) |
| Depreciation of property, plant and equipment allocated to stripping activity asset | **(999)** | — |
| Non-cash increase of the asset related to provisions | **(625)** | (241) |
| Capitalized amortization of transaction costs | **(180)** | (93) |
| **Net cash flows used in investing activities - Purchase of property, plant and equipment** | **105,375** | 115,461 |

### c) Reconciliation of depreciation presented in the property, plant and equipment schedule to the consolidated statements of income

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| **Depreciation of property, plant and equipment as per note 7** | **40,825** | 39,455 |
| Depreciation of property, plant and equipment allocated to stripping activity asset | **(999)** | — |
| Depreciation of intangible assets | **742** | 357 |
| Net effect of depreciation of property, plant and equipment allocated to inventory | **6,228** | (4,288) |
| **Depreciation as per consolidated statements of income** | **46,796** | 35,524 |

### d) Changes in liabilities arising from financing activities

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| **Opening balance - Long-Term Debt** | **707,301** | 539,428 |
| Cash from (used in) financing activities | | |
| Issuance | **84,500** | — |
| Repayment | **(18,337)** | (12,636) |
| New transaction costs | **—** | (314) |
| Non-cash changes | | |
| Foreign exchange movement | **(30,764)** | 4,189 |
| Amortization of transaction costs and accretion | **746** | 754 |
| **Ending balance - Long-Term Debt** | **743,446** | 531,421 |

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 18. Financial Information Included in the Consolidated Statements of Cash Flows (continued)

**d) Changes in liabilities arising from financing activities** (continued)

| | Three Months Ended June 30, | |
|---|---|---|
| | **2025** | 2024 |
| **Opening balance - Lease Liabilities** | **92,335** | 76,978 |
| Cash from (used in) financing activities | | |
| Capital payments | **(4,737)** | (2,780) |
| Interest expense | **1,448** | 1,020 |
| Non-cash changes | | |
| Foreign exchange movement | **(3,949)** | 630 |
| New lease liabilities (i) | **25,575** | 850 |
| Lease modification | **(3,652)** | — |
| **Ending balance - Lease Liabilities** | **107,020** | 76,698 |

(i) New lease liabilities for the three-month period ended June 30, 2025, differ from the additions of right-of-use assets presented in note 7 — Property, Plant and Equipment, as they excluded $3,595 of deposits paid in advance to secure the delivery of equipment.

## 19. Segmented Information

The Company is conducting mining operations and exploration and evaluation activities in Canada. The operating segments reflect the management structure of the Company and are consistent with the internal reporting reviewed by the Company's chief operating decision-maker to assess the business performance and make strategic decisions. The Company evaluates the performance of its operating segments primarily based on segment operating income, as defined below. The Bloom Lake mine site, which is comprised of two facilities in operation, was identified as a segment, namely Iron Ore Concentrate. Exploration and Evaluation and Corporate were identified as separate segments due to their specific nature.

| **Three Months Ended June 30, 2025** | **Iron Ore Concentrate** | **Exploration and Evaluation** | **Corporate** | **Total** |
|---|---|---|---|---|
| **Revenues** | **390,027** | **—** | **—** | **390,027** |
| Cost of sales | **(313,928)** | **—** | **—** | **(313,928)** |
| Depreciation | **(46,205)** | **(44)** | **(547)** | **(46,796)** |
| **Gross profit (loss)** | **29,894** | **(44)** | **(547)** | **29,303** |
| Share-based payments | **—** | **—** | **317** | **317** |
| General and administrative expenses | **—** | **—** | **(12,581)** | **(12,581)** |
| Sustainability and other community expenses | **(1,841)** | **—** | **(2,736)** | **(4,577)** |
| Innovation and growth initiatives | **—** | **—** | **(1,871)** | **(1,871)** |
| **Operating income (loss)** | **28,053** | **(44)** | **(17,418)** | **10,591** |
| Net finance income, other income and tax expenses | | | | **13,193** |
| **Net income** | | | | **23,784** |
| | | | | |
| **Segmented total assets** | **2,824,057** | **156,276** | **79,904** | **3,060,237** |
| **Segmented total liabilities** | **(1,587,051)** | **—** | **(30,534)** | **(1,617,585)** |
| **Segmented property, plant and equipment** | **2,120,327** | **2,991** | **9,120** | **2,132,438** |

(Expressed in thousands of Canadian dollars, except where otherwise indicated - unaudited)

## 19. Segmented Information (continued)

| Three Months Ended June 30, 2024 | Iron Ore Concentrate | Exploration and Evaluation | Corporate | Total |
|---|---|---|---|---|
| **Revenues** | 467,084 | — | — | 467,084 |
| Cost of sales | (264,911) | — | — | (264,911) |
| Depreciation | (35,028) | (31) | (465) | (35,524) |
| **Gross profit (loss)** | 167,145 | (31) | (465) | 166,649 |
| Share-based payments | — | — | (2,392) | (2,392) |
| General and administrative expenses | — | — | (12,350) | (12,350) |
| Sustainability and other community expenses | (1,697) | — | (2,844) | (4,541) |
| Innovation and growth initiatives | — | — | (1,876) | (1,876) |
| **Operating income (loss)** | 165,448 | (31) | (19,927) | 145,490 |
| Net finance costs, other income and tax expenses | | | | (64,133) |
| **Net income** | | | | 81,357 |
| | | | | |
| **Segmented total assets** | 2,597,580 | 136,487 | 37,662 | 2,771,729 |
| **Segmented total liabilities** | (1,324,207) | — | (21,693) | (1,345,900) |
| **Segmented property, plant and equipment** | 1,610,037 | 2,065 | 9,085 | 1,621,187 |

## 20. Subsequent Events

**Financing**

On July 2, 2025, the Company issued US$500,000,000 of senior unsecured notes, maturing on July 15, 2032 (the "Notes"). The Notes bear interest at 7.875% per annum, payable semi-annually, commencing on January 15, 2026. The Notes are guaranteed by the Company and certain of its subsidiaries. The Company used the proceeds of the Notes to repay its US$230,000,000 Term Loan and US$105,000,000 Revolving Facility outstanding balance. Transaction costs in connection with this financing agreement approximate $14,400.

**Kami Iron Mine Partnership**

On July 21, 2025, the Company entered into a definitive framework agreement (the "Framework Agreement") with Nippon Steel Corporation and Sojitz Corporation, pursuant to which the Partners have agreed to initially contribute $245,000 for an aggregate 49% interest in Kami Iron Mine Partnership, a new entity formed for the ownership and potential development of the Kami Project. The contribution is subject to the receipt of the required regulatory approvals, as well as other customary closing conditions. The Partners are expected to make further contributions on a pro-rata basis for expenses necessary to advance the Kami Project towards a potential interim investment decision and, ultimately, a potential final investment decision.