CHAMPION IRON

APPENDIX 4E
For the fiscal year ended March 31, 2022

This Appendix should be read in conjunction with the Company's Annual Report for the year ended March 31, 2022.

1. Name of Entity

Champion Iron Limited

ACN 119 770 142

2. Reporting Period

Reporting period: For the year ended March 31, 2022
Previous corresponding period: For the year ended March 31, 2021

3. Results for Announcement to the Market

	Year Ended March 31,		Up/(Down)	% Movement
	2022	2021		
	(in thousands of CA$)	(in thousands of CA$)	(in thousands of CA$)	
Revenue from ordinary activities	**1,460,806**	1,281,815	178,991	14%
Profit from ordinary activities after tax attributable to members	**522,585**	464,425	58,160	13%
Net profit attributable to members	**522,585**	464,425	58,160	13%

Dividends

An unfranked interim dividend was declared and paid during the fiscal year ended March 31, 2022 at an amount of CA$0.10 per ordinary share. The record date for determining the entitlement to the interim dividend was February 8, 2022. The interim dividend was paid on March 1, 2022. An unfranked final dividend was declared on May 25, 2022 (Montréal time) / May 26, 2022 (Sydney time), payable on June 28, 2022. Dividends paid by subsidiaries are not included. No interim or final dividend has been declared for the fiscal year ended March 31, 2021.

4. Net Tangible Assets per Security

	As at March 31,	
	2022	2021
	(CA$ per share)	(CA$ per share)
Net tangible assets per security	**2.25**	1.70

5. Associates and Joint Venture Entities

Associates are not considered to be material to the Company. The Company does not have joint venture entities.

6. Commentary on the Results for the Period

A commentary on the results for the period is contained within the Annual Report, including the Directors' Report and the Financial Statements that accompany this Appendix.

7. Status of Audit

This report is based on Financial Statements for the year ended March 31, 2022, which have been audited by Ernst & Young.

CHAMPION IRON

ANNUAL REPORT 2022

FOR THE FISCAL YEAR ENDED MARCH 31, 2022

CONTENTS

This Annual Report contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risk Factors" section and to the "Cautionary Note Regarding Forward-Looking Statements" section of the Annual Report. Unless otherwise specified, all dollar figures stated herein are expressed in Canadian dollars.

01
OVERVIEW

ABOUT CHAMPION

Champion, through its 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 Bloom Lake Phase I and Phase II plants have a combined nameplate capacity of 15 Mtpa and produce a low contaminant high-grade 66.2% Fe iron ore concentrate with the proven ability to produce a 67.5% Fe direct reduction quality concentrate. 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 sells its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to the Bloom Lake Mining Complex, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset project located a few kilometres south-east of Bloom Lake, and the Consolidated Fire Lake North iron ore project, located approximately 40 km south of Bloom Lake.

PROVEN MANAGEMENT

SKILLED WORKFORCE

INNOVATIVE TECHNOLOGIES

MAJOR INVESTMENTS IN STATE-OF-THE-ART EQUIPMENT

AN EXEMPLARY ENVIRONMENTAL APPROACH

CHAMPION'S VALUES

PRIDE

Develop a collective sense of belonging in all spheres of iron ore mining

INGENUITY

Leverage employee creativity and expertise to achieve and maintain efficient practices aimed at operational excellence

RESPECT

Respect for people, resources, the environment, safety standards, partnerships and equipment

TRANSPARENCY

Promote transparent communications through active listening and open dialogue

HIGHLIGHTS

7,650,600 dmt Concentrate Sold	**US$181.1** Gross Realized Price[1]	**$1,460.8M** Revenues
7,907,300 wmt Record Concentrate Produced	**$925.8M** Record EBITDA[1]	**$1.03** EPS
83.2% Fe Recovery Rate	**$352.7M** Cash on Hand[1]	**$58.9 / dmt sold** Total Cash Cost[1]
$0.10 / per ordinary share Inaugural Dividend Payment	**66.2%** Iron Ore Concentrate	**2.98** Recordable Injury Frequency Rate

[1] This 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 20 - Non-IFRS and Other Financial Measures of the Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

OTHER HIGHLIGHTS

FINANCIAL

Declared
two dividend payments as per the Company's capital returns strategy.

Redeemed
$185M of the Company's subsidiary preferred shares, which eliminated preferred share dividend payments.

Signed
a revolving facility for US$400M on May 24, 2022, replacing the Company's previous Phase II term loan.

PHASE II

Commissioned
the Phase II expansion project ahead of schedule and completed the first rail shipments from the project on May 3, 2022.

Anticipated
to gradually increase the mine and plant's capacity towards commercial production by the end of calendar year 2022.

GROWTH & DEVELOPMENTS

Acquired
the Kami Project acquisition and its related mining properties, on April 1, 2021, and advanced work related to revising the Kami Project's scope and feasibility study.

Completed
the acquisition of the Lac Lamêlée property and the 1.5% net smelter return on the Company's Moiré Lake property and Fermont Properties portfolio.

Advanced
a feasibility study to evaluate the reprocessing and infrastructure required for commercial production of a 69% Fe direct reduction pellet feed product.

Acquired
the Pointe-Noire iron ore pelletizing facility on May 17, 2022, in line with the Company's vision to contribute towards 'greening' the steelmaking supply chain.

Progressed
laboratory testing and the development of cold pelletizing technologies.

Commenced
a collaboration with Caterpillar Inc. and Toromont Cat to develop, test and implement advanced drilling technologies aimed at optimizing Bloom Lake's operational productivity and reducing energy consumption.

A WORD FROM THE EXECUTIVE CHAIRMAN

Champion Iron concludes its 2022 fiscal year with sustained growth momentum.

Our people mitigated the impact of the pandemic and delivered another robust operational and financial result. This year is to be transformational for our Company with the completion of our Phase II expansion project, expected to double Bloom Lake's nameplate capacity of high-purity iron ore to 15 million tonnes per year, and position the business for additional growth opportunities.

In addition to the positive economic impact for local communities and the creation of 400 additional permanent quality jobs, the Phase II project will significantly contribute to the reduction of emissions for the steel industry. With our high-purity iron ore products, the annual impact of this expansion in emissions reduction is anticipated to be the equivalent of eliminating nearly 500,000 cars.

Steel is a foundational product upon which society is built and it is one of the most important materials used by different technologies as the world transitions to a carbon-efficient economy. With superior iron ore products and access to renewable hydroelectric power, Champion has become part of a global green solution within the steelmaking supply chain.

As steelmakers seek to reduce emissions, we are strategically positioned to meet the growing demand for high-purity iron products and contribute in the fight against climate change.

Our vision of the rising demand for high-purity products is confirmed by the increasing focus to reduce emissions by global leaders. As such, we continue to position the business for organic growth opportunities with strategic acquisitions in the Labrador Trough and ongoing feasibility studies.

A Word from the Executive Chairman (continued)

In the coming months, we expect to complete studies on the Kami project, our Direct Reduction ("DR") pellet feed project and the opportunity to produce DR pellets at our recently acquired pellet plant in Pointe-Noire, in partnership with a global leader in the steel industry. These projects aim to further contribute to the green steel supply chain and benefit the Québec Côte-Nord economy by creating additional quality jobs in the region.

Furthermore, the completion of the Phase II project, together with our cumulative efforts to operate sustainably, created the stability required to declare an inaugural dividend on January 26, 2022 (Montréal time) / January 27, 2022 (Sydney time), and continue our capital return strategy with an additional dividend declared on May 25, 2022 (Montréal time) / May 26, 2022 (Sydney time).

It is a privilege to share our vision with supportive stakeholders. Based on trust and respect, we continue to enhance and benefit from our relationship with our Innu partners.

MICHAEL O'KEEFFE
EXECUTIVE CHAIRMAN

A WORD FROM THE CHIEF EXECUTIVE OFFICER

We proudly conclude the 2022 fiscal year with several significant accomplishments.

Despite the challenges imposed by the pandemic, our committed employees, together with our partners' support, enabled our Company to deliver superior operational performance while maintaining a focus on health and safety practices and minimizing our impact on the environment. The completion of the Phase II project will create a positive regional impact for generations. Our local expertise, market leading high-purity products, access to renewable power and stable operating jurisdiction are being recognized globally. These strategic advantages present opportunities for the Québec Côte-Nord region as we pursue multiple organic growth projects designed to unlock the region's full potential.

In addition to our aspirations for growth, we continue to prioritize our local relationships and efforts to provide opportunities to develop our team and workforce. In line with our values of respect and solidarity with our Innu partners, we proudly became the first mining company in Québec to recognize the National Day of Truth and Reconciliation as a day of remembrance for all our employees. Additionally, we initiated a mentoring program aimed at integrating women into our workforce to maximize their opportunities for success.

While we are proud of our local positive impact, our ability to significantly contribute to the fight against climate change fuels our motivation. Only a small portion of the world's iron ore production, including the high-purity iron ore produced at Bloom Lake, provides the quality and purity required to qualify as DR feed and contribute to the green steelmaking supply chain.

I am extremely grateful for the support received by our employees, partners and communities who share our vision to produce a critical and strategic metal for the future.

DAVID CATAFORD
CHIEF EXECUTIVE OFFICER

MANAGEMENT TEAM

CHAMPION IRON EXPERTS SHARE OUR DEEPEST VALUES : **PRIDE**, **INGENUITY**, **RESPECT** AND **TRANSPARENCY**

MICHAEL O'KEEFFE, B AppSc (Metallurgy)

Executive Chairman of the Board

MICHAEL MARCOTTE, CFA

Senior Vice-President, Corporate Development and Capital Markets

DAVID CATAFORD, ENG

Chief Executive Officer and Director

ANGELA KOUROUKLIS, CRIA, MBA

Senior Vice-President, Human Resources

ALEXANDRE BELLEAU, ENG

Chief Operating Officer

PRADIP DEVALIA, FCA

Company Secretary Australia

STEVE BOUCRATIE

Senior Vice-President, General Counsel and Corporate Secretary

MANAGEMENT TEAM

Michael O'Keeffe, B AppSc *(Metallurgy)*

Executive Chairman and Former Chief Executive Officer

Mr. O'Keeffe was appointed Executive Chair of the Company on August 13, 2013 and CEO on October 3, 2014. On April 1, 2019, Mr. O'Keeffe stepped down as CEO and remains Executive Chair of the Board. Mr. O'Keeffe commenced work with MIM Holdings in 1975. He held a series of senior operating positions, rising to Executive Management level in commercial activities. In 1995, he became Managing Director of Glencore Australia (Pty) Limited and held the position until July 2004. Mr. O'Keeffe was the founder and Executive Chairman of Riversdale Mining Limited. Mr. O'Keeffe is presently a member of the Board of Directors of Burgundy Diamond Mines Ltd. and Mont Royal Resources.

David Cataford, Eng

Chief Executive Officer and Director

Mining engineer by training, Mr. Cataford joined Champion Iron in 2014 and was appointed to the position of Chief Executive Officer on April 1, 2019. Prior to his appointment as Chief Executive Officer, he held the role of Chief Operating Officer at Champion Iron where he played a key role in the management team. Mr. Cataford completed the acquisition and delivery of the successful restart of the Bloom Lake Mine by managing its construction, its commissioning, and building a team composed of more than 900 top mining talents. In addition to his successful performance history in executing acquisitions, Mr. Cataford held several management positions in the Labrador Trough, including his tenure with Cliffs Natural Resources Inc. and ArcelorMittal. Mr. Cataford cofounded and held the role of president for the North Shore and Labrador Mineral Processing Society. His career has been recognized by several accolades including the Young Mining Professionals award and the Brendan Woods International Top Gun CEO award.

Alexandre Belleau, Eng

Chief Operating Officer

Mr. Belleau joined the team in 2016, following the Company's decision to acquire and recommission the sidelined Bloom Lake Mine. His entrepreneurial and versatile background allowed him to successfully head the Bloom Lake mine restart in 2018. As Chief Operating Officer, Mr. Belleau is closely involved in many aspects of the Company where logistics, operations, human resources and financing, all benefit from his expertise in business development and project management. Leading the charge where innovation and growth intersect, Mr. Belleau's most recent accomplishment is the completion of the Phase II expansion project. Prior to joining Champion Iron, Mr. Belleau participated in the creation of two startups specializing in building and medical control technology and bioenergy. He also worked in process and building energy efficiency and recreational products. Mr. Belleau holds a bachelor's degree in mechanical engineering from the University of Sherbrooke and is an executive member of the Québec Mining Association.

Steve Boucratie

Senior Vice-President, General Counsel and Corporate Secretary

Steve Boucratie joined Champion Iron in May 2019 as Vice-President, General Counsel and Corporate Secretary. Steve brings more than 16 years of legal and transaction experience. Prior to joining Champion, Steve was serving as Director, Legal Affairs and Assistant Corporate Secretary for Osisko Gold Royalties Ltd. Before Osisko, Steve was a partner of the law firm Fasken Martineau Dumoulin LLP where he practiced corporate law.

MANAGEMENT TEAM

Michael Marcotte, CFA

Senior Vice-President, Corporate Development and Capital Markets

Michael initially joined Champion Iron in 2018 as Vice-President Investor Relations. Prior to joining Champion Iron Limited, Michael worked as Vice-President and Partner at Orion Financial Inc. from 2004 to 2007, which was then acquired by Macquarie Capital Markets Canada Ltd., where he worked as Associate Director, engaging institutional investors across North America and Europe from 2007 to 2018. His previous experience included equity research focused on resource equities at various institutional asset managers. Michael was recognized as a leading institutional sales professional in 2017 and 2018, when he was awarded the 'TopGun' award by Brendan Wood International. Michael also sits on the Board of Directors of Ruelle de l'Avenir, a nonprofit organization contributing to the learning and academic success of young people in greater Montréal.

Angela Kourouklis, CRIA, MBA

Senior Vice-President, Human Resources

Ms. Kourouklis has been in human resources management for nearly 20 years. She holds a Bachelor's degree in Industrial Relations from the Université de Montréal, an MBA from UQAM and an EMBA from the Université Paris Dauphine – PSL. Prior to joining Champion Iron, Ms. Kourouklis worked in various sectors such as aerospace, hospitality, transportation, food industries and media. She was able to implement, through her diverse experience and in various contexts, many management practices that position people at the heart of the company. This approach has enabled her to foster culture, innovation and creativity.

Pradip Devalia, FCA

Company Secretary – Australia

Mr. Devalia joined Champion Iron Limited as Company Secretary in June 2014. Prior to joining Champion Iron Limited, Mr. Devalia was a senior tax partner of PwC in Sydney and has expertise in the resources sector reporting to the Executive team and the Board of Directors of major multinational companies. Since leaving PwC, Mr. Devalia has worked as a consultant to various companies, including Riversdale Mining Limited and Rio Tinto. Mr. Devalia is a member of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia New Zealand.

02

SUSTAINABILITY

"Community well-being is a priority for Champion Iron, and the management team is committed to promoting this well-being by caring about the people and communities at the heart of our major projects.

We proudly support the development of youth, culture and the environment with activities that demonstrate our interest in the communities where we do business.

Through innovative partnerships and initiatives that strengthen our values as citizens of the world, we maximize the positive impact of our presence in these communities."

Michael O'Keeffe

SUSTAINABLE DEVELOPMENT INSPIRED BY OUR VALUES

Sustainable development is anchored deep within Champion Iron's DNA. We believe that making it an integral part of our organization is essential to our success.

Our values guide every aspect of our success, and we thoroughly incorporate them into our sustainable development decision-making process.

PRIDE

In addition to the positive local impact of our sustainable development practices, we are proud to be a leader in the high-grade iron ore industry, which enables our Company to contribute in reducing emissions globally. Our integrated sustainable development structure is a testament to the involvement of each department in this shared energy of pride.

INGENUITY

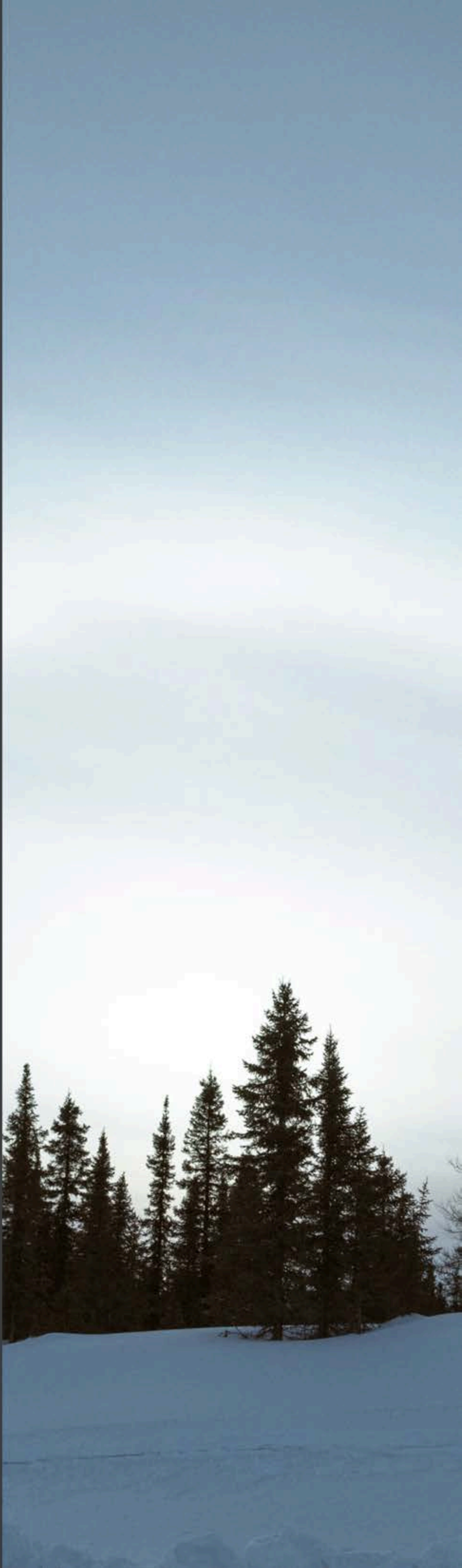
Our quest to keep improving our practices continues unabated. We are always on the lookout for new developments and use creativity to find innovative sustainable development solutions. Our rigorous policies are part of our visionary practices.

RESPECT

For us, respect means creating value in a way that meets the company's long-term needs, while respecting stakeholders, the environment and society.

TRANSPARENCY

We develop and maintain transparent relationships with our stakeholders. This allows us to make the right decisions and focus our efforts on implementing actions that meet their real needs, expectations and concerns.



SUSTAINABILITY POLICIES & PRACTICES

Sustainability is deeply anchored in Champion's culture as we aim to create a positive impact for all stakeholders. Champion's business strategy, annual objectives and company values guide our approach to sustainability. We strive to produce high-purity iron ore products sustainably and with integrity by providing a safe and inclusive working environment, avoiding social inequities, respecting human rights and protecting the environment and biodiversity. Champion is proud to be a market-leading, low-emission producer of one of the highest quality iron ore products globally.

Champion recognizes the importance of optimizing the energy efficiency of its operations in order to minimize greenhouse gas emissions and contribute to the global battle against climate change. As such, the Company is consistently investing in energy consumption reduction initiatives to reduce its environmental footprint. In addition, the Company is investing in decarbonization projects, including product research and development for higher-grade iron ore products.

Champion diligently overseas its responsibilities with regard to environmental, societal and ethical issues. As part of our ongoing commitment to implement a sustainable development approach and ethical practices across all our activities, we have adopted policies and documented practices, which include, amongst others, a Modern Slavery Statement, a Responsible Procurement Corporate Policy and a Sustainability Report. The latest versions are available on the Company's website at www.championiron.com.

Sustainability Report

We measure the success of our business by creating value in a way that meets long-term business needs while considering our stakeholders and the environmental, social and economic context in which we operate. Integrating sustainable practices while conducting our business is an essential element since this allows for risk reduction, lower costs, better access to opportunities and, above all, the creation of long-term value for stakeholders.

The management team sets the strategic direction for sustainable development and ensures the development and implementation of strategic sustainability programs. Through its sustainable development policies, Champion actively aims to obtain the best value from the goods and services it procures, while stimulating the economy of local communities and Indigenous groups. In line with our transparency values, we completed the Company's 2021 Sustainability Report, available on the Company's website at www.championiron.com. As we seek to continuously improve our sustainability disclosure, the report onboarded Task Force on Climate-Related Financial Disclosure.

Modern Slavery Statement

Champion recognizes that its activities can have an impact on human rights, either through its operations or through its relationships with subcontractors and suppliers. As such, the Company is committed to implementing policies and practices that respect human rights and ensure that its employees and business partners understand and live up to this commitment. Respect for human rights is one of the fundamental elements of Champion's principles of sustainable development.

Champion has zero tolerance for any form of modern slavery, including forced, compulsory or child labour, and is committed to operating in a transparent and responsible manner to prevent modern slavery and human trafficking in all of its operations. The Company's responsible procurement policy enables it to avoid being complicit in or facilitating human rights violations or modern slavery throughout its supply chain.

Responsible Procurement Corporate Policy

The adoption by Champion of a responsible procurement policy is part of its continuous approach aimed at applying the principles of sustainable development throughout its organization. This policy forms part of Champion's global perspective to fulfill its responsibilities in connection with environmental, societal and ethical issues inherent to the Company's procurement processes. In the course of its operations and activities, Champion diligently implements the policy's principles and commitments.

03

CORPORATE GOVERNANCE

PRODUCE
HIGH-GRADE
IRON ORE CONCENTRATE
WITH
INTEGRITY

BOARD OF DIRECTORS

A GROUP OF SEASONED PROFESSIONALS TO ENSURE THE PROSPERITY OF CHAMPION IRON

MICHAEL O'KEEFFE,
B AppSc (Metallurgy)

Executive Chairman of the Board

MICHELLE CORMIER,
CPA

Director

DAVID CATAFORD,
ENG

Chief Executive Officer and Director

LOUISE GRONDIN,
P.Eng, MSc

Director

ANDREW J. LOVE,
B.Comm, MAICD

Lead Director

JYOTHISH DEVINA GEORGE,
Ph.D

Director

GARY LAWLER,
BA, LLB, LLM (Hons), ASIA, Master of Laws (Applied Laws) (Wills and Estates)

Director

THE HONOURABLE WAYNE G. WOUTERS,
PC. OC

Director

BOARD OF DIRECTORS

Michael O'Keeffe, B AppSc *(Metallurgy)*

Executive Chairman and Former Chief Executive Officer (non-independent)

Mr. O'Keeffe was appointed Executive Chair of the Company on August 13, 2013 and CEO on October 3, 2014. On April 1, 2019, Mr. O'Keeffe stepped down as CEO and remains Executive Chair of the Board. Mr. O'Keeffe commenced work with MIM Holdings in 1975. He held a series of senior operating positions, rising to Executive Management level in commercial activities. In 1995, he became Managing Director of Glencore Australia (Pty) Limited and held the position until July 2004. Mr. O'Keeffe was the founder and Executive Chairman of Riversdale Mining Limited. Mr. O'Keeffe is presently a member of the Board of Directors of Burgundy Diamond Mines Ltd. and Mont Royal Resources.

David Cataford, Eng

Chief Executive Officer and Director (non-independent)

Mining engineer by training, Mr. Cataford joined Champion Iron in 2014 and was appointed to the position of Chief Executive Officer on April 1, 2019. Prior to his appointment as Chief Executive Officer, he held the role of Chief Operating Officer at Champion Iron where he played a key role in the management team. Mr. Cataford completed the acquisition and delivery of the successful restart of the Bloom Lake Mine by managing its construction, its commissioning, and building a team composed of more than 900 top mining talents. In addition to his successful performance history in executing acquisitions, Mr. Cataford held several management positions in the Labrador Trough, including his tenure with Cliffs Natural Resources Inc. and ArcelorMittal. Mr. Cataford cofounded and held the role of president for the North Shore and Labrador Mineral Processing Society. His career has been recognized by several accolades including the Young Mining Professionals award and the Brendan Woods International Top Gun CEO award.

Andrew J. Love, B.Comm, MAICD

Lead Director (independent)

Mr. Love was appointed as a Non-Executive Director on April 9, 2014. He has more than 35 years of experience in corporate recovery and reconstruction in Australia. He was initially a member and then on retirement a senior partner of Australian accounting firm Ferrier Hodgson in the period 1976 to 2008. He then acted as a consultant to the firm until 2019. He has advised major local and overseas companies and financial institutions in a broad variety of restructuring and formal insolvency assignments and specialized in the resources industry. Mr. Love has been an independent director of a number of listed companies over a 30- year period in the resources, financial services and property industries. This has involved corporate experience in Asia, Africa, Canada, the United Kingdom and the United States. Mr. Love's previous board positions have included Chairman of ROC Oil Ltd., Deputy Chairman of Riversdale Mining Limited, Director of Charter Hall Office Trust, Chairman of Museum of Contemporary Art, Chairman of Gateway Lifestyle Operations Ltd. and Director of Scottish Pacific Group Ltd.

Gary Lawler, BA, LLB, LLM (Hons), ASIA, Master of Laws (Applied Laws) (Wills and Estates)

Non-Executive Director (independent)

Mr. Lawler was appointed as a Non-Executive Director on April 9, 2014. He is an Australian corporate lawyer who has specialized in mergers and acquisitions for over 40 years. Mr. Lawler has been a partner of a number of leading Australian law firms and is currently a Senior Advisor at Ashurst Australia. Mr. Lawler is also the Chairman of Mont Royal Resources Limited. Mr. Lawler has previously held board positions with Dominion Mining Limited, Riversdale Mining Limited, Riversdale Resources Limited and Cartier Iron Corporation and brings a wealth of experience to the Board.

BOARD OF DIRECTORS

Michelle Cormier, CPA

Non-Executive Director (independent)

Ms. Cormier is a senior-level executive with experience in management, including financial management, corporate finance, turnaround and strategic advisory situations and human resources. She has a strong capital markets background, with significant experience in public companies listed in the United States and Canada. Ms. Cormier has been Operating Partner at Wynnchurch Capital Canada, Ltd. since 2014. Ms. Cormier spent 13 years in senior management and as Chief Financial Officer of a large North American forest products company, and eight years in various senior management positions at Alcan Aluminum Limited (Rio Tinto). Ms. Cormier articled with Ernst & Young. She serves on the Board of Directors of Cascades Inc. and Uni-Select Inc.

Louise Grondin, P.Eng, MSc

Non-Executive Director (independent)

Ms. Grondin has been, since January 2021, working as an independent consultant after retiring from Agnico Eagle Mines Ltd. ("Agnico Eagle"), a Canadian-based international gold producer. Over her almost twenty years with Agnico Eagle, she held various leadership positions as Senior Vice-President, People and Culture, Senior Vice-President Environment, Sustainable Development and People, Regional Director Environment and Environmental Superintendent. Prior to working with Agnico Eagle, Ms. Grondin was Director of Environment, Human Resources and Safety for Billiton Canada Ltd. In 2013, she was named amongst the 100 Global Inspirational Women in Mining, in 2015 she received the Rick W. Filotte Career Recognition Award and, in 2016, she was the recipient of the Women in Mining Canada Trailblazer award. She also sits on the Board of the Canadian Mining Hall of Fame and is a member of the Association of Professional Engineers of Ontario, the Ordre des ingénieurs du Québec and a fellow of the Canadian Academy of Engineering.

Jyothish George, Ph.D

Non-Executive Director (independent)

Mr. George is currently Head of Marketing (copper & zinc metal) at Glencore. Immediately prior to his current role, Mr. George served as head of marketing for iron ore at Glencore . Prior to that he was the Chief Risk Officer of Glencore. He earlier held a number of roles at Glencore's head office in Baar, Switzerland from 2009 onwards focused on iron ore, nickel and ferroalloys physical and derivatives trading, and has been involved with iron ore marketing since its inception at Glencore. Mr. George joined Glencore in 2006 in London. He was previously a Principal at Admiral Capital Management in Greenwich, Connecticut, a Vice President in equity derivatives trading at Morgan Stanley in New York, and started his career at Wachovia Securities in New York as a Vice President in convertible bonds trading. Mr. George received a Bachelor's in Technology from IIT Madras, India and a PhD in Mechanical Engineering from Cornell University.

The Honourable Wayne G. Wouters, PC, OC

Non-Executive Director (independent)

The Honourable Wayne G. Wouters, PC, OC, has served as a director of the Company since 2016. Mr. Wouters has an honours bachelor of commerce degree from the University of Saskatchewan and a master's degree in economics from Queen's University. He has been a Strategic and Policy Advisor to McCarthy Tétrault LLP since April 2015 and is also a director of BlackBerry Limited, Canadian Utilities Limited and Foran Mining Corporation. From 2009 to 2014, Mr. Wouters was the Clerk of the Privy Council of Canada and, in that capacity, held the roles of Deputy Minister to the Prime Minister, Secretary to the Cabinet and Head of the Public Service. Prior to his tenure as Clerk, Mr. Wouters was Secretary of the Treasury Board of Canada and served in deputy ministerial and other senior positions in the Canadian public service. Mr. Wouters has received numerous awards, including Honorary Doctorates of Laws from the Universities of Saskatchewan and Manitoba, the Queen's Diamond Jubilee Medal and the André Mailhot Award for lifetime achievement from the United Way Canada. He was inducted by the Prime Minister as a member of the Privy Council in 2014 and was invested into the Order of Canada as an officer in 2017.

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

The Company's Board is committed to protecting and enhancing shareholder value and conducting the Company's business ethically and in accordance with the highest standards of corporate governance. In determining those standards, Champion supports the intent of the 4th Edition ASX Corporate Governance Principles and Recommendations ("Principles and Recommendations") and meets the specific requirements of the Principles and Recommendations, unless otherwise disclosed.

Champion believes that its practices are substantially consistent with the Principles and Recommendations and will continue to adapt its governance practices to maintain this status or make changes as appropriate, in accordance with the nature and scale of the Company's business.

A full copy of the 2022 fiscal year Corporate Governance Statement is available on the Company's website at www.championiron.com. The corporate governance section of Champion's website also provides further information on Champion's corporate governance policies, including its whistleblower policy.

Diversity Policy

The Company has adopted a Diversity Policy, a copy of which can be accessed at the Company's website at www.championiron.com.

The Board aims to increase its gender diversity as Director and Senior Management positions become vacant and appropriately qualified candidates become available. At the date of this report, 20% of the Company's Senior Executive team and 25% of its Board positions are held by women. As at December 31, 2021, women represented 14% of the whole organization (11% as at December 31, 2020).

04
DIRECTORS' REPORT

DIRECTORS' REPORT

The following Champion Iron Limited ("Champion" or the "Company") Directors' Report has been prepared as of May 26, 2022. This Directors' Report is intended to supplement the audited consolidated financial statements for the year ended March 31, 2022 and related notes thereto ("Financial Statements"), which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), including Australian Interpretations and the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Financial Statements and other information pertaining to the Company are available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com.

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

Unless otherwise specified, all dollar figures stated herein are expressed in 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 Directors' Report: US$ (United States dollar), CA$ (Canadian dollar), t (tonnes), wmt (wet metric tonnes), dmt (dry metric tonnes), Fe (iron ore), Mtpa (million tonnes per annum), M (million), km (kilometres), m (metres), FOB (free on board), LoM (life of mine), Bloom Lake or Bloom Lake Mine (Bloom Lake Mining Complex), Phase II (Phase II expansion project), Kami Project (Kamistiatusset project), EBITDA (earnings before interest, tax, depreciation and amortization), AISC (all-in sustaining costs) and EPS (earnings per share). The terms "Champion" or the "Company" refer to Champion Iron Limited and/or one, or more, or all of its subsidiaries, as applicable. The term "QIO" refers to the Company's subsidiary and operator of Bloom Lake, Quebec Iron Ore Inc.

Non-IFRS and Other Financial Measures

Certain financial indicators used by the Company to analyze and evaluate its results are non-IFRS financial measures or ratios and supplementary financial measures. Each of these indicators is not a standardized financial measure under the IFRS and might not be comparable to similar financial measures used by other issuers. These indicators are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS and other financial measures included in this Directors' Report are: EBITDA, adjusted net income, cash on hand, EBITDA margin, adjusted EPS, total cash cost or C1 cash cost, AISC per dmt sold, cash operating margin, cash profit margin, net average realized selling price per dmt sold or net average realized FOB selling price per dmt sold, gross average realized selling price per dmt sold or gross average realized FOB selling price per dmt sold and operating cash flow per share. When applicable, a quantitative reconciliation to the most directly comparable IFRS measures is provided in section 20 - Non-IFRS and Other Financial Measures of this Directors' Report.

I. OPERATING AND FINANCIAL REVIEW

YEAR-ON-YEAR STRONG FINANCIAL PERFORMANCE

“Our robust quarterly and annual operational results are an ongoing testament to the commitment and professionalism of our employees and team.”

David Cataford

1. Financial and Operating Highlights

	Three Months Ended March 31,			Year Ended March 31,		
	2022	2021	Variance	**2022**	2021	Variance
Iron ore concentrate produced (wmt)	**1,869,000**	2,011,400	(7%)	**7,907,300**	8,001,200	(1%)
Iron ore concentrate sold (dmt)	**1,889,900**	1,971,100	(4%)	**7,650,600**	7,684,500	—%
Financial Data (in thousands of dollars, except per share amounts)						
Revenues	**331,376**	396,702	(16%)	**1,460,806**	1,281,815	14%
Gross profit	**200,361**	277,116	(28%)	**958,199**	817,756	17%
EBITDA[1]	**197,938**	275,764	(28%)	**925,817**	819,477	13%
EBITDA margin[1]	**60 %**	70 %	(14%)	**63 %**	64 %	(2%)
Net income	**115,653**	155,934	(26%)	**522,585**	464,425	13%
Adjusted net income[1]	**121,311**	155,499	(22%)	**537,768**	470,681	14%
Basic EPS	**0.23**	0.32	(28%)	**1.03**	0.97	6%
Adjusted EPS[1]	**0.24**	0.31	(23%)	**1.06**	0.98	8%
Net cash flow from operating activities	**4,280**	228,566	(98%)	**470,435**	624,419	(25%)
Dividend per ordinary share declared and paid	**0.10**	—	—%	**0.10**	—	—%
Cash and cash equivalents	**321,892**	609,316	(47%)	**321,892**	609,316	(47%)
Total assets	**1,989,230**	1,496,906	33%	**1,989,230**	1,496,906	33%
Total non-current financial liabilities	**251,365**	214,951	17%	**251,365**	214,951	17%
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**207.1**	220.0	(6%)	**225.9**	182.3	24%
Net average realized selling price[1]	**175.3**	201.3	(13%)	**190.9**	166.8	14%
Total cash cost (C1 cash cost)[1]	**60.0**	54.4	10%	**58.9**	54.2	9%
All-in sustaining cost[1]	**70.5**	65.1	8%	**73.1**	62.8	16%
Cash operating margin[1]	**104.8**	136.2	(23%)	**117.8**	104.0	13%
Statistics (in U.S. dollars per dmt sold)[2]						
Gross average realized selling price[1]	**164.1**	173.9	(6%)	**181.1**	139.1	30%
Net average realized selling price[1]	**139.1**	159.3	(13%)	**153.3**	127.3	20%
Total cash cost (C1 cash cost)[1]	**47.4**	43.0	10%	**47.0**	41.0	15%
All-in sustaining cost[1]	**55.7**	51.4	8%	**58.3**	47.5	23%
Cash operating margin[1]	**83.4**	107.9	(23%)	**95.0**	79.8	19%

[1] This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

[2] See the "Currency" section of this Directors' Report included in section 8 - Key Drivers.

2. Quarterly and Year-End Highlights

Health & Safety and Sustainability

- No serious injuries or major environmental issues reported during the period;
- An employee recordable injury frequency rate of 2.98 for the 2022 fiscal year, which is in line with Québec's open pit industry performance;
- COVID-19 testing laboratory and prevention measures maintained in line with the Government of Québec's (the "Government") directives to mitigate risks related to COVID-19 and limit the spread of variants;
- Completed the Company's 2021 Sustainability Report, including Task Force on Climate-Related Financial Disclosure, available on the Company's website at www.championiron.com; and
- Committing to greenhouse gas ("GHG") emissions reduction of 40% by 2030, based on 2014 emission intensity with additional consideration for the targeted nameplate capacity of 15 Mtpa. The Company is also committed to be carbon neutral by 2050.

Financial

- Inaugural dividend of $0.10 per ordinary share paid on March 1, 2022, in connection with the semi-annual results for the period ended September 30, 2021, and an additional dividend of $0.10 per ordinary share declared by the Board of Directors (the "Board") in connection with the annual results for the period ended March 31, 2022;
- Revenues of $331.4M and $1,460.8M for the three-month period and year ended March 31, 2022, respectively, compared to $396.7M and $1,281.8M for the same periods in 2021;
- EBITDA[1] of $197.9M for the three-month period ended March 31, 2022, compared to $275.8M for the same period in 2021. EBITDA[1] of $925.8M for the year ended March 31, 2022, compared to $819.5M for the same period in 2021;
- Net income of $115.7M for the three-month period ended March 31, 2022 (EPS of $0.23), compared to $155.9M for the same period in 2021 (EPS of $0.32). Net income of $522.6M for the year ended March 31, 2022 (EPS of $1.03), compared to $464.4M for the same period in 2021 (EPS of $0.97);
- Net cash flow from operating activities of $4.3M for the three-month period ended March 31, 2022, representing an operating cash flow per share[1] of $0.01, compared to $228.6M or $0.46 for the same period in 2021. Net cash flow from operating activities of $470.4M for the year ended March 31, 2022, representing an operating cash flow per share[1] of $0.93, compared to $624.4M or $1.30 for the same period in 2021;
- Cash on hand[1] and restricted cash of $396.4M as at March 31, 2022, compared to $543.4M as at December 31, 2021 and $680.5M as at March 31, 2021, reflecting the ongoing construction of the Phase II expansion project, working capital changes and the semi-annual dividend payment on March 1, 2022; and
- US$400.0M general purpose revolving facility agreement signed on May 24, 2022 (the "Revolving Facility"), which refinanced the previous Phase II credit facility (the "Credit Facility"), providing increased financial flexibility and enabling the Company to lift the restricted cash covenant of $43.7M, and reduce its cost of capital.

[1] This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

2. Quarterly and Year-End Highlights (continued)

Operations

- Production of 1,869,000 wmt of high-grade 66.2% Fe concentrate for the three-month period ended March 31, 2022, compared to 2,011,400 wmt of high-grade 66.5% Fe concentrate for the same period in 2021. Production of 7,907,300 wmt of high-grade 66.2% Fe concentrate for the year ended March 31, 2022, compared to 8,001,200 wmt of high-grade 66.4% Fe for the same period in 2021;
- Fe recovery rate of 82.7% and 83.2% for the three-month period and year ended March 31, 2022, respectively, compared to a Fe recovery rate of 82.6% and 83.5%, respectively, for the same periods in 2021; and
- Total cash cost[1] of $60.0/dmt (US$47.4[2]/dmt) (C1) and $58.9/dmt (US$47.0[2]/dmt) for the three-month period and year ended March 31, 2022, respectively, compared to $54.4/dmt (US$43.0[2]/dmt) and $54.2/dmt (US$41.0[2]/dmt), respectively, for the same periods in 2021.

Growth and Development

- Ongoing feasibility study evaluating the reprocessing and infrastructure required to commercially produce a 69% Fe Direct Reduction ("DR") pellet feed product. The study of this proposed project, scaled to convert approximately half of Bloom Lake's increased nameplate capacity, is expected to be completed in mid-2022;
- Announcement of the entering into an acquisition agreement for the Pointe-Noire Iron Ore Pelletizing Facility located in Sept-Îles, Québec (the "Pellet Plant") on May 17, 2022, and announcement that the Company had entered into a memorandum of understanding with a major international steelmaking partner to evaluate the recommissioning of the Pellet Plant to produce DR grade pellets; and
- Advancing the Kami Project's feasibility study, expected to be completed in the second half of calendar 2022, whereby the project is being evaluated for its capability to produce DR grade pellet feed product.

Phase II Milestones

- Phase II commissioning achieved ahead of schedule in late April 2022, despite pandemic-related challenges, positioning the Company to ramp up towards commercial production by the end of calendar 2022;
- Completion of the first rail shipments containing 24,304 wmt of high-grade 66.2% Fe iron ore concentrate from the Phase II project on May 3, 2022; and
- Cumulative investments of $625.2M, including deposits, deployed on the project as at March 31, 2022.

[1] This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.
[2] See the "Currency" section of this Directors' Report included in note 8 - Key Drivers.

3. Response to the COVID-19 Pandemic

Since the beginning of the pandemic, the Company has consistently and proactively deployed several measures in its efforts to mitigate risks related to COVID-19 and related variants, in line with or exceeding Government guidelines.

On September 1, 2021, a COVID-19 vaccination passport became effective in the province of Québec for certain non-essential businesses, which aimed to limit the spread of the pandemic. Despite this public health measure to protect people from COVID-19, the Omicron variant rapidly increased cases of COVID-19 in late 2021 and early 2022, in the province and globally. As such, the Government introduced and distributed rapid testing solutions to the general population and tightened its restrictions in advance of Christmas holiday gatherings. As there was a consensus that one or more vaccine booster doses may be required to provide adequate protection, during the three-month period ended March 31, 2022, the Québec vaccination campaign continued, providing eligible recipients with a third vaccine dose. Starting mid-February, with public health care indicators starting to stabilize, the Government cautiously and gradually started easing health measures and restrictions. Since March 12, 2022, the vaccination passport is no longer required in Québec.

The Company continuously reviews its COVID-19-related measures and protocols in order to safeguard the health and safety of its employees, partners and local communities. The pandemic created and continues to create some operational inefficiencies. Early in the three-month period ended March 31, 2022, the virus rapidly increased at the mine site and surrounding communities, forcing Management to allocate a smaller workforce between operations and the Phase II project. The rapid spread of the Omicron variant also created additional logistical complexities, due to increases in cases at the mine site and the implementation of preventive isolation measures. Accordingly, the Company deployed additional measures in order to avoid a significant disruption in the Company's operations during this fiscal quarter, which contributed to increasing operating expenses during the three-month period ended March 31, 2022.

Although the Company is managing its operations to mitigate risks related to COVID-19, significant uncertainties remain regarding the ultimate impact that the pandemic may have on the overall economy and the demand for iron ore products. The pandemic's future impact on the Company, including operations, supply chain and cash flows, remains uncertain and will depend on future developments, such as the duration of the pandemic, the emergence of variants, the efficacy and regulatory actions to contain the virus.

The Company's full COVID-19 plan is available on its website at www.championiron.com.

4. Dividend on Ordinary Shares

The Board declared a dividend of $0.10 per ordinary share on May 25, 2022 (Montréal time) / May 26, 2022 (Sydney time), in connection with the financial results for the fiscal year ended March 31, 2022, payable on June 28, 2022, to the Company's shareholders at the close of business in Australia and Canada on June 7, 2022 (local time). The ordinary shares will begin trading on an ex-dividend basis at the open of trading in Australia and Canada on June 6, 2022.

The Board will evaluate future dividends concurrently with the release of the Company’s semi-annual and final-annual results.

For shareholders holding ordinary shares on the Australian share register, the dividend will be paid in Australian dollars. The dividend amounts received will be calculated by converting the dividend determined to be paid using the exchange rates applicable to Australian dollars five business days prior to the dividend payment date, as published by the Bank of Canada.

Additional details on the dividends and related tax information can be found on the Company’s website at www.championiron.com under the section Investors – Dividend Information.

5. Bloom Lake Phase II Commissioning

During the three-month period ended March 31, 2022, the Company advanced the work required to commission its Phase II project. As such, the Company completed its first rail shipments containing 24,304 wmt of high-grade 66.2% Fe iron ore concentrate from the Phase II project on May 3, 2022. The Company's first saleable Phase II high-grade iron ore concentrate is expected to be shipped from the port of Sept-Îles in the first quarter of the 2023 fiscal year. This significant milestone represents a tangible step towards realizing Bloom Lake's potential to become one of the largest global suppliers of high-purity iron ore.

As the Company anticipates reaching commercial production at Phase II by the end of calendar 2022[1], project milestones achieved and related works undertaken during the three-month period ended March 31, 2022 included:

- Water-based commissioning of multiple process systems and all ancillary services at the plant;
- Obtained provincial government approval for future expansion of the tailings facilities to accommodate the full life of mine plan, while awaiting final federal government authorization;
- Continuation of construction works; and
- Commissioning of the plant at the end of April 2022, with first rail shipments completed on May 3, 2022.

6. Decarbonization Initiatives

Product Research and Development

The steel industry is undergoing a structural shift in its production methods, including an increased focus on reducing greenhouse gas emissions from the iron and steelmaking processes. This dynamic is expected to create a rising demand for higher-grade iron ore products and a shift towards reduction technologies used to produce liquid iron, such as the use of direct reduced iron ("DRI") in electric arc furnaces ("EAF") instead of blast furnaces-basic oxygen furnaces ("BF-BOF").

Accordingly, the Company advanced its Research and Development ("R&D") program which aims to develop technologies and products to support the steelmaking transition from the BF-BOF method to the DRI-EAF method, while supporting emissions reduction in the BF-BOF process.

During the three-month period and year ended March 31, 2022, the Company incurred product R&D expenses of $1,547,000 and $5,549,000, respectively, compared to $336,000 and $1,258,000, respectively, for the same periods in 2021. The expenses incurred focused on two main areas:

1. Development of an iron ore pellet feed consisting of more than 69% Fe; and
2. Development of a cold pelletizing technology.

Additionally, and as part of its commitment to participate in the iron and steel industry's decarbonization, the Company continued to invest and actively collaborate with a European-based company which holds a proprietary cold pelletizing technology. During the year ended March 31, 2022, the Company further increased its involvement with the European-based company with additional investments totalling $4,476,000 (US$3,500,000), in the form of a convertible loan agreement and an equity investment. The objective of the cold pelletizing technology is to substantially reduce emissions linked to the agglomeration of iron ore. Promising laboratory results demonstrated that carbon emissions related to agglomeration could be reduced by more than 95% with this technology. The Company intends to further test the potential of cold pelletizing technologies, towards industrial trials, jointly with this European-based company.

Emissions Reduction Initiatives

As part of its ongoing efforts to minimize the environmental impact of its operations, the Company committed to GHG emissions reduction of 40% by 2030, based on 2014 emissions intensity with additional consideration for the targeted nameplate capacity of 15 Mtpa. The Company further committed to be carbon neutral by 2050. This GHG target is in line with the Paris Agreement 2 degrees Celsius scenarios, the Canadian government GHG reduction and the Science Based Targets initiative ("SBTi") frameworks. Towards this effort, the Company implemented a working group mandated to identify emissions reduction initiatives and evaluate resources required to deploy a program to reach its GHG emissions reduction objectives.

Recent initiatives include a partnership with Tugliq Energy Co. to initiate testing of electric pickup trucks designed for mining operations in Northern climates, which are expected to reduce emissions.

[1] See the "Cautionary Note Regarding Forward-Looking Statements" section of this Annual Report.

6. Decarbonization Initiatives (continued)

Direct Reduction Pellet Feed > 69% Fe

Since the fourth quarter of the 2021 fiscal year, the Company completed laboratory work and testing to produce a DR grade pellet feed iron ore concentrate higher than 69% Fe with an average combined silica and alumina content below 1%. Preliminary results indicate that the Company could upgrade the Bloom Lake iron ore concentrate to a higher grade with lower contaminants by using additional processes, including mild regrinding and a silica flotation stage. This new DR pellet feed product is expected to be finer than the Company's existing products and rank as one of the highest-quality DR pellet feed products available on the seaborne market.

As commercial production of DR pellet feed products would require additional reprocessing and infrastructure, the Company initiated a feasibility study to evaluate the investments required to convert half of Bloom Lake's nameplate capacity of 15 Mtpa. Achieving DR pellet feed commercial production would enable the Company to further engage with DRI-EAF based iron and steel producers, potentially benefit from higher product pricing and enable the Company to participate further in reducing emissions in the steelmaking process.

During the three-month period ended March 31, 2022, the Company continued to advance the feasibility study, anticipated to be completed in mid-2022.

Acquisition of an Iron Ore Pelletizing Facility

On May 17, 2022, the Company announced it has entered into a definitive purchase agreement (the "Purchase Agreement") to acquire, via a wholly-owned subsidiary, the Pointe-Noire iron ore pelletizing facility located in Sept-Îles, adjacent to the port facilities. The Company also entered into a Memorandum of Understanding (the "MOU") with a major international steelmaker (the "FS Partner") to complete a feasibility study to evaluate the re-commissioning of the Pellet Plant and produce DR grade pellets. The feasibility study will evaluate the investments required to re-commission the Pellet Plant while integrating up-to-date pelletizing and processing technologies.

The MOU sets out a framework for Champion and the FS Partner to collaborate in order to complete the feasibility study, anticipated to occur in 2023. Subject to the feasibility study's positive findings and results, the MOU outlines a framework for a joint venture to produce DR grade iron ore pellets to sell to third parties, including the FS Partner (the "Project"). Pursuant to the Purchase Agreement, Champion is required to comply with various undertakings in connection with the Pellet Plant, including a commitment to design and operate the Project using exclusively green energy sources, including electricity, natural gas, biofuels or renewable energy, as main power sources.

7. Key Drivers

A. Iron Ore Concentrate Price

The price of iron ore concentrate is one of the most significant factors affecting the Company's financial results. As such, net cash flow from operating activities and the Company's development may, in the future, be significantly and adversely affected by a decline in the price of iron ore. The iron ore concentrate price fluctuates daily and is affected by several industry and macroeconomic factors beyond the Company's control.

Due to the high-quality properties of its 66.2% Fe iron ore concentrate, the Company's iron ore product has proven to attract a premium over the IODEX 62% Fe CFR China Index ("P62"), widely used as the reference price in the industry. As such, the Company quotes its products based on the high-grade CFR China Index ("P65"). The premium captured by the P65 index is attributable to two main factors: steel mills recognizing that higher iron ore grades offer the benefit of optimizing output, while also significantly decreasing CO_2 emissions in the steelmaking process.

During the three-month period ended March 31, 2022, the average iron ore price increased substantially, compared to the previous quarter, as a result of supply and demand factors. Accordingly, iron ore prices increased early in the period in tandem with China's renewed focus on infrastructure investment and announced measures to support the real estate sector. While the Chinese government pledged to support the economy, including commitments for steel intensive infrastructure investments, Brazilian and Australian supplies were constrained with weather and labour-related issues. Furthermore, the military conflict between Russia and Ukraine, initiated in late February, curtailed supply of several commodities, including iron ore. Supply issues from high-grade iron ore export hubs in Ukraine and Brazil, in tandem with elevated coking coal prices and robust steel prices, created positive support for the premium on high-grade iron ore products.

7. Key Drivers (continued)

A. Iron Ore Concentrate Price (continued)

The Chinese steel industry reported lower crude steel production for the three-month period ended March 31, 2022, compared to the same prior-year period, attributable to restrictions imposed ahead of China's February 2022 Olympics and a surge in COVID-19 cases. In fact, the World Steel Association[1] reported that China's crude steel production totalled 246.26 million tonnes for the period, an 8.7% decrease from 2021. The completion of the 2022 Beijing Winter Olympics, coupled with the positive seasonal demand, supported a resumption in output growth late in the period. Offsetting the lower output in China, the World Steel Association[1] reported that the world ex-China posted 213.25 million tonnes of crude steel production for the three-month period ended March 31, 2022, a modest decrease compared to the same period in 2021.

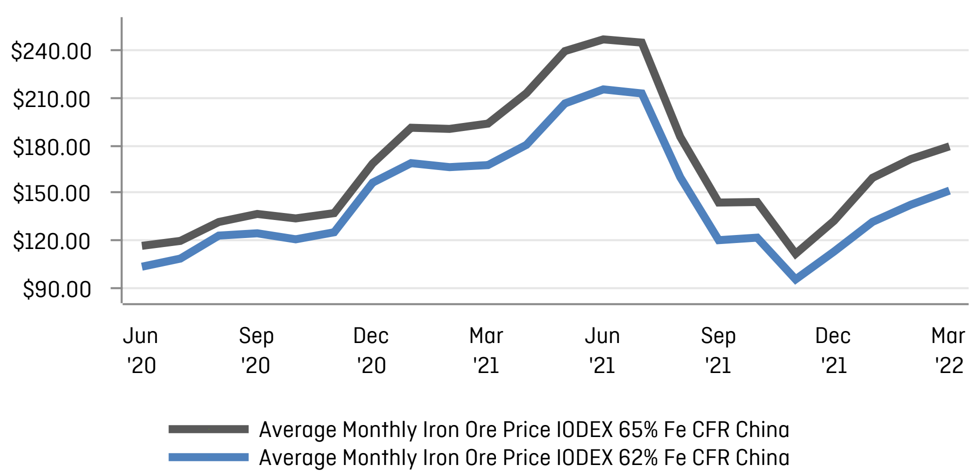
During the three-month period ended March 31, 2022, the P65 index for high-grade iron ore fluctuated from a low of US$140.5/dmt to a high of US$192.3/dmt. The P65 index average price for the period was US$169.7/dmt, an increase of 32% from the previous quarter, resulting in an average premium of 19.8% over the P62 reference price of US$141.6/dmt.

During the three-month period ended March 31, 2022, the Company's gross average realized selling price[2] was US$164.1/dmt, before sea freight and other costs and provisional pricing adjustments on tonnes in transit at the end of the previous quarter. The gross average realized selling price[2] of US$164.1/dmt was slightly lower than the P65 index average price for the period of US$169.7/dmt due to the negative impact of sales based on fixed backward-looking iron ore prices, when prices were substantially lower compared to the P65 index average for the current period. This negative impact was partially offset by sales in transit as at March 31, 2022, provisionally priced using an average forward price of US$185.7/dmt, which is higher than the P65 index average price for the period. Taking into account sea freight and other costs and sales adjustments, the Company's net realized FOB selling price[2] was US$139.1/dmt compared to US$159.3/dmt for the same period in 2021.

During the year ended March 31, 2022, the P65 index for high-grade iron ore fluctuated from a low of US$101.8/dmt to a high of US$264.2/dmt. The P65 index average price for the year was US$179.9/dmt, an increase of 25% from the same period in 2021, resulting in an average premium of 17.4% over the P62 index reference price of US$153.3/dmt.

During the year ended March 31, 2022, the gross average realized selling price[1] of US$181.1/dmt, before sea freight and other costs and provisional pricing adjustments, is comparable to the P65 index average of US$179.9/dmt, demonstrating the Company's ability to track the P65 high-grade index over the long term. Taking into account these latter, the net realized FOB selling price[1] was US$153.3/dmt, compared to US$127.3/dmt for the same period in 2021. The Company believes that it remains well positioned to benefit from iron ore prices which continue to offer an attractive operating margin as it has no fixed price contracts in place, and the Bloom Lake Mine is not subject to royalties.

US$ Spot Price of Iron Ore Fines per dmt (As per Platts IODEX Index)



1 https://www.worldsteel.org/
2 This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

7. Key Drivers (continued)

A. Iron Ore Concentrate Price (continued)

A significant portion of Champion's iron ore sales contracts are structured on a provisional pricing basis, where the final sales price is determined using the iron ore price indices on or after the vessel's arrival at the port of discharge. The Company recognizes revenues from iron ore sales contracts upon vessel departure. In order to estimate the final sales price as assigned by sales contracts, the Company assigns a provisional price upon vessel departure. The estimated gross consideration in relation to the provisionally priced contracts is accounted for using the P65 forward iron ore price at the expected settlement date. Once the vessel arrives at its destination, the impact of the iron ore price fluctuations, compared to the estimated price at the time of departure, is accounted for as a provisional pricing adjustment to revenue.

As the Company's sales are subject to freight routes that take up to 55 days before reaching customers, and since vessels subject to provisional price adjustments are already in transit at quarter end, the final price adjustments to the provisional price are structurally more exposed in the earlier months of each quarter.

During the three-month period ended March 31, 2022, a final price of US$169.3/dmt was established for the 856,200 tonnes of iron ore that were in transit as at December 31, 2021 and which were previously evaluated using an average expected price of US$142.3/dmt. Accordingly, during the three-month period ended March 31, 2022, positive pricing adjustments were recorded for tonnes subject to provisional prices as at December 31, 2021, positively impacting revenues in the current quarter by US$27.0/dmt for the 856,200 tonnes of iron ore that were in transit as at December 31, 2021. Over the total volume of 1,889,900 dmt sold during the current period, the positive adjustments represent US$12.2/dmt. As at March 31, 2022, 691,100 tonnes of iron ore sales remained subject to provisional pricing adjustments, with the final price to be determined in the subsequent reporting period (March 31, 2021: 1,007,000 tonnes). A gross forward provisional price of US$185.7/dmt has been used as at March 31, 2022, to estimate the sales of the Company that remain subject to final price setting.

The following table details the Company's exposure, as at March 31, 2022, to the movements in the iron ore price for the provisionally invoiced sales volume:

(in thousands of U.S. dollars)	**As at March 31,**
	2022
Tonnes (dmt) subject to provisional pricing adjustments	**691,100**
10% increase in iron ore prices	**12,831**
10% decrease in iron ore prices	**(12,831)**

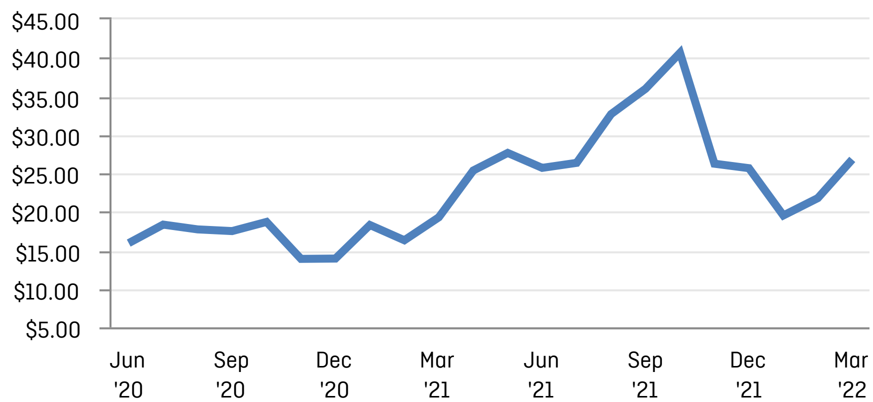
The sensitivities demonstrate the monetary impact on ore sales revenues resulting from a 10% increase and 10% decrease in realized selling prices as at March 31, 2022, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact commodity prices. The above sensitivities should therefore be used with caution.

7. Key Drivers (continued)

B. Sea Freight

Sea freight is an important component of the Company's cost structure as it ships most of its iron ore concentrate to several regions overseas including historical sales to China, Japan, Europe, the Middle East and South Korea. The common reference route for dry bulk material from the Americas to Asia is the Tubarao (Brazil) to Qingdao (China) route which encompasses 11,000 nautical miles. The freight cost per tonne associated with this route is captured in the C3 Baltic Capesize Index ("C3"), which is considered the reference ocean freight cost for iron ore shipped from Brazil to the Far East. There is no index for the route between the port of Sept-Îles (Canada) and China. The route from Sept-Îles to the Far East totals approximately 14,000 nautical miles and is subject to different weather conditions during the winter season. Therefore, the freight cost per tonne associated with this voyage is generally higher than the C3 index price.

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



During the three-month period ended March 31, 2022, the C3 index averaged US$22.9/t, a 26% decrease from the previous three-month period. The lower freight rates are likely attributed to a combination of factors including Brazil's rainy season hindering iron ore shipments, in addition to a stabilization of port congestions globally experienced in the previous period. Later in the period, the C3 index experienced upward momentum resulting from rising global fuel prices in tandem with sanctions imposed on Russia, which impacted energy prices. Furthermore, China's recent increase in COVID-19 cases caused transportation disruptions across the country, impacting vessel congestion at ports, resulting in rising freight prices.

The industry has identified a historical relationship between the iron ore price and the freight cost for the Tubarao to Qingdao route captured in the C3 freight rate. Based on this observed correlation, when the price of iron ore fluctuates, the ocean freight rate usually fluctuates in tandem over time. As the freight cost for ocean transport between Sept-Îles and China is largely influenced by the C3 cost, a decrease in iron ore prices typically results in lower ocean freight costs for the Company, resulting in a natural hedge for one of the Company's largest cost components. With recent events impacting the seaborne iron ore supply and other freight rates, this historical relationship has experienced a disconnect.

Due to its distance from main shipping hubs, Champion typically contracts vessels three to four weeks prior to the desired laycan period. This creates a natural delay between the freight paid and the C3 route index price. The effects of these delays are eventually reconciled since Champion ships its high-grade iron ore concentrate uniformly throughout the year.

Despite these conditions influencing freight pricing, the Company benefits from a freight contract for one vessel per month until December 2022, which is expected to reduce the Company's freight premium volatility with a certain agreed-upon price premium above the average C3 index plus a seasonal premium for winter conditions.

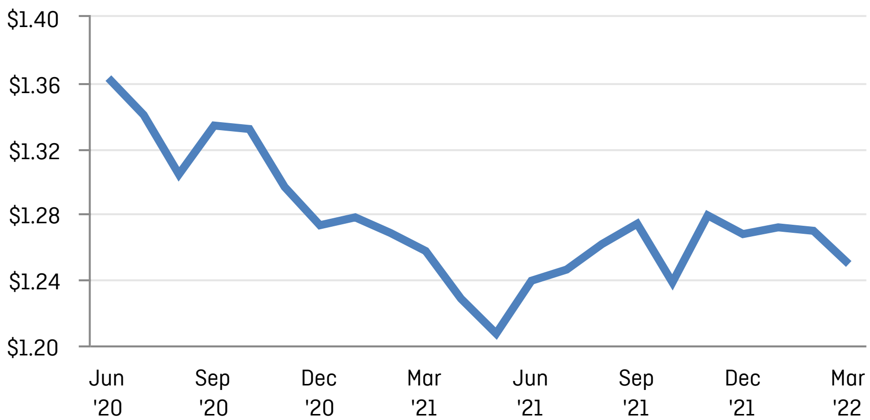
7. Key Drivers (continued)

C. Currency

The Canadian dollar is the Company's functional and reporting currency. Consequently, the Company's operating results and cash flows are influenced by changes in the exchange rate for the Canadian dollar against the U.S. dollar. The Company's sales, sea freight costs and the majority of its long-term debt and lease liabilities are denominated in U.S. dollars. As such, the Company benefits from a natural hedge between its revenues, sea freight costs, long-term debt and its lease liabilities. Despite this natural hedge, the Company is exposed to foreign currency fluctuations as its mining operating expenses are mainly incurred in Canadian dollars. During the year ended March 31, 2022, the Company entered into forward foreign exchange contracts to comply with its Senior Debt covenants.

The strengthening of the U.S. dollar would positively impact the Company's net income and cash flows while the strengthening of the Canadian dollar would reduce its net income and cash flows. As the majority of the Company's long-term debt and lease liabilities are denominated in U.S. dollars, the Company is subject to ongoing non-cash foreign exchange adjustments, which may impact its financial results. Assuming a stable selling price, a variation of CA$0.01 against the U.S. dollar will impact gross revenues by approximately 1%. Assuming a stable long-term debt balance, a variation of CA$0.01 against the U.S. dollar will impact the debt revaluation by approximately 1%.

Monthly Closing Exchange Rate – CA$/US$



Exchange rates were as follows:

	CA$ / US$					
	Average			Closing		
	FY2022	FY2021	Variance	**FY2022**	FY2021	Variance
Q1	**1.2282**	1.3853	(11)%	**1.2394**	1.3628	(9)%
Q2	**1.2600**	1.3321	(5)%	**1.2741**	1.3339	(4)%
Q3	**1.2603**	1.3030	(3)%	**1.2678**	1.2732	— %
Q4	**1.2662**	1.2660	— %	**1.2496**	1.2575	(1)%
Year-end as at March 31	**1.2536**	1.3219	(5)%	**1.2496**	1.2575	(1)%

Apart from these key drivers, the potential impact of the COVID-19 pandemic and the risk factors that are described in the "Risk Factors" section of this Annual Report, Management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

8. Bloom Lake Mine Operating Activities

	Three Months Ended March 31,			Year Ended March 31,		
	2022	2021	Variance	**2022**	2021	Variance
Operating Data						
Waste mined and hauled (wmt)	**5,071,700**	3,796,300	34%	**20,512,500**	15,481,100	33%
Ore mined and hauled (wmt)	**5,388,200**	5,636,100	(4%)	**22,263,200**	21,571,700	3%
Material mined and hauled (wmt)	**10,459,900**	9,432,400	11%	**42,775,700**	37,052,800	15%
Strip ratio	**0.94**	0.67	40%	**0.92**	0.72	28%
Ore milled (wmt)	**4,904,100**	5,237,800	(6%)	**20,972,100**	20,598,700	2%
Head grade Fe (%)	**30.3**	30.7	(1%)	**29.9**	30.7	(3%)
Fe recovery (%)	**82.7**	82.6	—%	**83.2**	83.5	—%
Product Fe (%)	**66.2**	66.5	—%	**66.2**	66.4	—%
Iron ore concentrate produced (wmt)	**1,869,000**	2,011,400	(7%)	**7,907,300**	8,001,200	(1%)
Iron ore concentrate sold (dmt)	**1,889,900**	1,971,100	(4%)	**7,650,600**	7,684,500	—%
Financial Data (in thousands of dollars)						
Revenues	**331,376**	396,702	(16%)	**1,460,806**	1,281,815	14%
Cost of sales	**116,658**	110,299	6%	**458,678**	428,882	7%
Other expenses	**26,648**	14,591	83%	**84,871**	43,693	94%
Net finance costs	**2,269**	5,430	(58%)	**11,045**	22,428	(51%)
Net income	**115,653**	155,934	(26%)	**522,585**	464,425	13%
EBITDA[1]	**197,938**	275,764	(28%)	**925,817**	819,477	13%
Statistics (in dollars per dmt sold)						
Gross average realized selling price[1]	**207.1**	220.0	(6%)	**225.9**	182.3	24%
Net average realized selling price[1]	**175.3**	201.3	(13%)	**190.9**	166.8	14%
Total cash cost (C1 cash cost)[1]	**60.0**	54.4	10%	**58.9**	54.2	9%
All-in sustaining cost[1]	**70.5**	65.1	8%	**73.1**	62.8	16%
Cash operating margin[1]	**104.8**	136.2	(23%)	**117.8**	104.0	13%

Operational Performance

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year

In the three-month period ended March 31, 2022, 10,459,900 tonnes of material were mined and hauled, compared to 9,432,400 tonnes during the same period in 2021, an increase of 11%. The current strip ratio is in line with the revised mine plan, which includes preparation for Phase II operations. The increase in material movement was enabled through the utilization of additional operational equipment compared to the same prior-year period, offset by a longer haul cycle as material sourced from different pits, including those that deepened with mining activities over time, contributed to a longer haul cycle year-over-year.

The iron ore head grade for the three-month period ended March 31, 2022 was 30.3%, compared to 30.7% for the same period in 2021. The variation in head grade is attributable to the presence of some lower-grade ore being sourced and blended from different pits, which was anticipated and is in line with the mining plan and the LoM head grade average.

Additionally, the Company's average Fe recovery rate remained stable quarter-over-quarter as a result of a constant recovery circuit.

Bloom Lake produced 1,869,000 wmt of 66.2% Fe high-grade iron ore concentrate during the three-month period ended March 31, 2022, a decrease of 7%, compared to 2,011,400 wmt of 66.5% Fe during the same period in 2021. The slightly lower production is attributable to a lower head grade and lower throughput. The plant processed 4,904,100 tonnes of ore during the three-month period ended March 31, 2022, compared to 5,237,800 for the same prior-year period. The throughput for the period was negatively affected by the operational inefficiencies caused by the COVID-19 Omicron variant, together with minor unplanned maintenances.

1 This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

8. Bloom Lake Mine Operating Activities (continued)

2022 Fiscal Year vs 2021 Fiscal Year

On March 24, 2020, the Company announced the ramp-down of its operations following Government directives in response to the COVID-19 pandemic. Operations gradually ramped up following the Government's announcement in April 2020 that mining activities were to be considered a "priority service" in Québec. Early actions implemented by the Company in response to the COVID-19 pandemic minimized its impact on the Company and its operations. Once Government restrictions were lifted, the Company accelerated its mining activities and fully resumed its production capacity.

The Company mined and hauled 42,775,700 tonnes of material during the year ended March 31, 2022, compared to 37,052,800 tonnes for the same period in 2021. This increase in material mined and hauled is attributable to the utilization of additional operational equipment compared to the same prior-year period and the negative impact of the COVID-19 pandemic on several of the Company's other activities early in the comparative period. The strip ratio increased to 0.92 for the year ended March 31, 2022, compared to 0.72 for the same period in 2021. The strip ratio is consistent with the revised mine plan which includes preparation for Phase II operations.

The iron ore head grade of 29.9% for the year ended March 31, 2022 was attributable to different sourcing pits, compared to 30.7% for the same period in 2021 and is consistent with the LoM head grade average.

The plant processed 20,972,100 tonnes of ore during the year ended March 31, 2022, an increase of 2% over the same period in 2021. The iron ore concentrate produced remained stable during the year ended March 31, 2022 despite a lower head grade, compared to the same period in 2021, as a result of continuous improvements and operational innovations allowing the Company to increase throughput stability and reach a higher level of mill productivity.

9. Financial Performance

A. Revenues

	Three Months Ended March 31,			**Year Ended March 31,**		
	2022	2021	Variance	**2022**	2021	Variance
(in U.S. dollars per dmt sold)						
Index P62	**141.6**	166.9	(15%)	**153.3**	128.2	20%
Index P65	**169.7**	191.2	(11%)	**179.9**	143.7	25%
US$ Gross average realized selling price[1]	**164.1**	173.9	(6%)	**181.1**	139.1	30%
Freight and other costs	**(37.2)**	(23.0)	62%	**(35.3)**	(20.5)	72%
Provisional pricing adjustments	**12.2**	8.4	45%	**7.5**	8.7	(14%)
US$ Net average realized FOB selling price[1]	**139.1**	159.3	(13%)	**153.3**	127.3	20%
Foreign exchange rate conversion	**36.2**	42.0	(14%)	**37.6**	39.5	(5%)
CA$ Net average realized FOB selling price[1]	**175.3**	201.3	(13%)	**190.9**	166.8	14%

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year

During the three-month period ended March 31, 2022, 1,889,900 tonnes of high-grade iron ore concentrate were sold at the CFR China gross average realized price[1] of US$164.1/dmt, before freight and other costs and provisional pricing adjustments, compared to US$173.9/dmt for the same prior-year period. The decrease in gross average realized selling price[1] mainly reflects lower index prices during the three-month period ended March 31, 2022, compared to the same prior-year period. Despite lower index prices, the gross average realized selling price[1] of US$164.1/dmt represents a premium of 15.9% over the benchmark P62 price for the period, compared to a premium of 4.2% for the same period in 2021.

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9. Financial Performance (continued)

A. Revenues (continued)

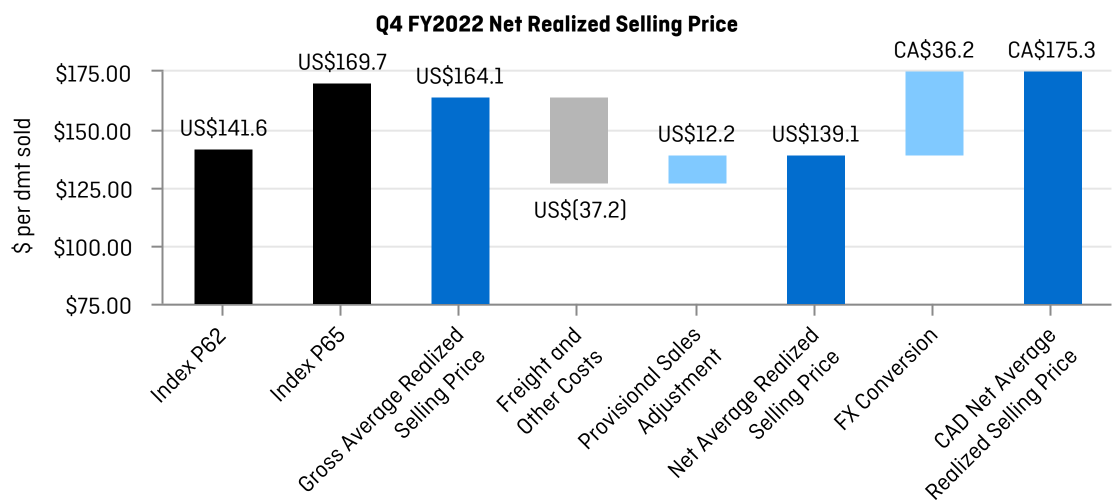
Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year (continued)

The gross average realized selling price[1] of US$164.1/dmt was slightly lower than the P65 index average price of US$169.7/dmt for the period due to the negative impact of sales based on backward-looking iron ore prices, when prices were substantially lower than the P65 index average for the period. The gross average realized selling price[1] also reflects the positive impact of sales at a determined price based on the average forward price of US$185.7 at the expected settlement date for 691,100 tonnes which were in transit at the end of the period.

The average C3 index for the three-month period ended March 31, 2022 was US$22.9/t compared to US$18.0/t for the same period in 2021, representing an increase of 27%, which contributed to higher freight costs in the three-month period ended March 31, 2022, compared to the same prior-year period. The freight costs variation relative to the C3 index during the period was mainly due to the timing of the vessels' booking. A dynamic also arose where the lower C3 index during the period, likely due to lower Brazilian shipments, had somewhat disconnected with other bulk freight indices. As a result, vessel operators were not willing to book vessels using the C3 index when prices were low. The Company expects to benefit from the quarter's low freight index in the upcoming period for sales contracts based on fixed backward-looking indexes.

The net average realized selling price[1] of US$139.1 for the three-month period ended March 31, 2022 was negatively impacted by a higher C3 index. Freight and other costs represented 23% of the gross average realized selling price for the period, compared to 13% for the same period in 2021, which represents a variation of US$14.2/dmt. Provisional pricing adjustments on previous sales, which were directly correlated to the increase in the P65 index early in the quarter contributed to increasing the net average realized selling price[1]. During the three-month period ended March 31, 2022, the final price was established for the 856,200 tonnes of iron ore that were in transit as at December 31, 2021. Accordingly, during the three-month period ended March 31, 2022, net positive provisional pricing adjustments were recorded as an increase in revenues for the 856,200 tonnes, representing a positive impact of US$12.2/dmt for the period, compared to US$8.4/dmt for the same period in 2021.

After taking into account sea freight and other costs of US$37.2/dmt and the positive provisional pricing adjustment of US$12.2/dmt, the Company obtained a net average realized selling price[1] of US$139.1/dmt (CA$175.3/dmt) for its high-grade iron ore delivered to the end customer. Revenues totalled $331,376,000 for the three-month period ended March 31, 2022 compared to $396,702,000 for the same period in 2021, reflecting the lower net average realized selling price[1] as well as the negative volume impact attributable to the COVID-19 pandemic.



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9. Financial Performance (continued)

A. Revenues (continued)

2022 Fiscal Year vs 2021 Fiscal Year

For the year ended March 31, 2022, the Company sold 7,650,600 tonnes of iron ore concentrate, mainly to customers in China, Japan, South Korea and Europe. While the high-grade iron ore P65 index price fluctuated between a low of US$101.8/dmt and a high of US$264.2/dmt during the year ended March 31, 2022, the Company sold its product at a gross average realized selling price[1] of US$181.1/dmt. The gross average realized selling price is comparable to the average P65 high-grade index of US$179.9/dmt for the period. The Company expects its iron ore concentrate pricing to continue tracking the P65 index in the long term.

Combining the gross average realized selling price[1] with the positive provisional pricing adjustment of US$7.5/dmt, the Company sold its high-grade iron ore at a price of US$188.6/dmt during the year ended March 31, 2022, compared to the P65 high-grade index average of US$179.9/dmt. Deducting sea freight and other costs of US$35.3/dmt, the Company obtained a net average realized selling price[1] of US$153.3/dmt (CA$190.9/dmt) for its high-grade iron ore. The increase in freight and other costs in the year ended March 31, 2022, compared to the same period in 2021, negatively impacted the net average realized selling price[1] for the period by US$14.8/dmt. As such, revenues totalled $1,460,806,000 for the year ended March 31, 2022, compared to $1,281,815,000 for the same period in 2021, mainly as a result of a higher gross average realized selling price[1], partially offset by higher freight and other costs and the negative impact of foreign exchange rates.

B. Cost of Sales

Cost of sales represents mining, processing, and mine site-related general and administrative ("G&A") expenses as well as rail and port operation costs. It also includes specific and incremental costs related to COVID-19.

For the three-month period ended March 31, 2022, the cost of sales totalled $116,658,000, compared to $110,299,000 for the same period in 2021. During the three-month period ended March 31, 2022, the total cash cost[1] or C1 cash cost[1] per tonne, excluding specific and incremental costs related to COVID-19, totalled $60.0/dmt, compared to $54.4/dmt for the same period in 2021. The total cash cost[1] for the three-month period ended March 31, 2022 was negatively impacted by fuel price increases, longer haul cycle times associated with the current mine plan, and the utilization of additional operational mining equipment in order to prepare for Phase II. Increased explosives costs also contributed to higher cash costs[1] for the period.

For the year ended March 31, 2022, the Company produced high-grade iron ore at a total cash cost[1] amounting to $58.9/dmt, compared to $54.2/dmt for the year ended March 31, 2021. The variation is attributable to the same factors that affected the total cash cost[1] for the three-month period ended March 31, 2022. In addition, minor unplanned maintenances contributed to the higher cash cost[1] for the year ended March 31, 2022.

C. Gross Profit

The gross profit for the three-month period ended March 31, 2022 totalled $200,361,000, compared to $277,116,000 for the same prior-year period. The decrease in gross profit is mainly attributable to lower revenues, as a result of a lower net average realized selling price[1] of $175.3/dmt for the three-month period ended March 31, 2022, compared to $201.3/dmt for the same period in 2021 and lower volume of iron ore concentrate sold. The lower net average realized selling price[1], compared to the same prior-year period, is due to the negative impact of higher freight and other costs and lower P65 index average price, partially offset by a favourable provisional price adjustment on previous sales.

The gross profit for the year ended March 31, 2022 totalled $958,199,000, compared to $817,756,000 for the same period in 2021. The increase is largely driven by the higher net average realized selling price[1] of $190.9/dmt for the year ended March 31, 2022, compared to $166.8/dmt for the same period in 2021. The higher revenues were partially offset by higher production costs mainly attributable to increased fuel and explosives costs.

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9. Financial Performance (continued)

D. Other Expenses

	Three Months Ended March 31,			Year Ended March 31,		
	2022	2021	Variance	**2022**	2021	Variance
(in thousands of dollars)						
Share-based payments	**6,689**	2,439	174 %	**12,818**	3,983	222 %
G&A expenses	**8,094**	7,905	2 %	**31,769**	23,594	35 %
Sustainability and other community expenses	**4,353**	3,911	11 %	**16,983**	14,858	14 %
Product R&D expenses	**1,547**	336	360 %	**5,549**	1,258	341 %
Bloom Lake Phase II start-up costs	**5,965**	—	— %	**17,752**	—	— %
	26,648	14,591	83 %	**84,871**	43,693	94 %

The higher share-based payments for the three-month period and year ended March 31, 2022, compared to the same prior-year periods is attributable to the change in classification of share-based payment arrangements, initially classified as equity-settled instruments. As the Company modified some of the RSUs, PSUs and DSUs during the year ended March 31, 2022 to allow the holders to elect the form of settlement for vested share-based units granted, the Company reassessed for all prior awards granted its cash obligation at fair value using the share price as at March 31, 2022. The increase in share-based payments for the year ended March 31, 2022 also reflects the costs associated with an increase in the numbers of performance share units granted to key employees, as part of the Company's remuneration policy to retain talented employees and provide alignment of interests between such key employees and the Company's shareholders. A part of these performance share units are linked to the achievement of certain milestones relating to the Phase II project and do not have a significant dilutive impact on the Company's current shareholders.

G&A expenses were stable for the three-month period ended March 31, 2022, compared to the same period in 2021. The variation in G&A expenses in the year ended March 31, 2022, compared to the same prior-year period, represents costs associated with a higher headcount and professional fees required to support the Company's growth initiatives, as well as increased insurance costs impacting the mining industry.

Higher sustainability and other community expenses in the three-month period and year ended March 31, 2022 reflected the Company's increased focus on sustainability.

The variation in R&D expenses in the three-month period and year ended March 31, 2022, compared to the same periods in 2021, is due to the advancement of the strategy to develop technologies and products supporting emissions reduction, as detailed in section 6 — Decarbonization Initiatives. R&D expenses are mainly comprised of consultant fees and salaries and benefits.

During the three-month period and year ended March 31, 2022, the Company incurred pre-commercial start-up costs for the Phase II project, mainly related to staff mobilization and training.

E. Net Finance Costs

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year

Net finance costs decreased to $2,269,000 for the three-month period ended March 31, 2022, compared to $5,430,000 for the same period in 2021, mainly as a result of a foreign exchange gain compared to a foreign exchange loss in 2021 and higher capitalization of borrowing costs during the construction period of Phase II.

The Company benefits from a natural hedge between its revenues generated in U.S. dollars and its U.S. denominated debt and lease liabilities. During the three-month period ended March 31, 2022, the foreign exchange gain amounted to $847,000, compared to a foreign exchange loss of $2,108,000 in the same period in 2021. Realized and unrealized foreign exchange gain is due to the revaluation of its net monetary assets denominated in U.S. dollars, following an appreciation of the Canadian dollar against the U.S. dollar as at March 31, 2022, compared to December 31, 2021. The appreciation of the Canadian dollar contributed to a foreign exchange gain on the Company's Senior Debt and on the Phase II mining equipment and railcars financed through debt or lease liabilities, partially offset by a foreign exchange loss on its accounts receivable and cash on hand[1] denominated in U.S. dollars.

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(Expressed in Canadian dollars, except where otherwise indicated)

9. Financial Performance (continued)

E. Net Finance Costs (continued)

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year (continued)

Interest expenses on long-term debt decreased in the three-month period ended March 31, 2022, compared to the same prior-year period, due to the progress on the Phase II project and the build-up of qualifying assets, resulting in a higher capitalization rate being used to determine the amount of borrowing costs eligible for capitalization.

2022 Fiscal Year vs 2021 Fiscal Year

Net finance costs decreased to $11,045,000 for the year ended March 31, 2022, compared to $22,428,000 for the same period in 2021. Lower net finance costs are mainly due to lower foreign exchange losses, lower interest costs on long-term debt, partially offset by higher standby commitment fees on undrawn available long-term debt balances.

Lower interest expenses on long-term debt are attributable to the progress on the Phase II project and the build-up of qualifying assets, resulting in a higher capitalization rate being used to determine the amount of borrowing costs eligible for capitalization. Standby commitment fees which are not eligible for capitalization totalled $5,031,000 for the year ended March 31, 2022, compared to $975,000 for the same prior-year period.

F. Other Income

During the three-month period and year ended March 31, 2022, other income totalled $9,868,000 and $8,560,000, respectively, and mainly represents the realized and unrealized change in the fair value on non-current investments. For the same periods in 2021, other income of $3,952,000 and $10,237,000, respectively, represented the change in the fair value of non-current investments attributable to share price increases in the Company's equity investments during the periods and to a gain on the disposal of equity investments.

G. Income Taxes

The Company and its subsidiaries are subject to tax in Australia and Canada. There is no deferred tax asset recognized in respect of the unused losses in Australia as the Company believes it is not probable that there will be a taxable profit available against which the losses can be used. During the year ended March 31, 2022, Champion, incorporated under the laws of Australia, incurred a current tax expense related to the dividend received from its Canadian subsidiary and had partially recognized a deferred tax liability on its investments in the subsidiary. QIO is subject to Québec mining taxes at a progressive tax rate ranging from 16% to 28%, for which each rate is applied to a bracket of QIO's mining profit, depending on the mining profit margin for the year. The mining profit margin represents mining profit, as defined by the *Mining Tax Act* (Québec), divided by revenues. Progressive tax rates are based on mining profit margins as follows:

Mining Profit Margin Range	**Tax Rate**
Mining profit between 0% to 35%	**16 %**
Incremental mining profit over 35%, up to 50%	**22 %**
Incremental mining profit over 50%	**28 %**

In addition, QIO is subject to income taxes in Canada where the combined provincial and federal statutory rate was 26.50% for the year ended March 31, 2022 (2021: 26.50%).

During the year ended March 31, 2022, current income and mining tax expenses totalled $47,864,000 and $306,480,000, respectively, compared to $100,638,000 and $280,855,000, respectively, for the same periods in 2021. The variation is mainly due to the change of taxable profit associated with the volatility of iron ore prices and the Company being subject to a 5% withholding tax in connection with the payment of dividends. During the year ended March 31, 2022, deferred income and mining tax expenses totalled $17,795,000 and $41,778,000, respectively, compared to $4,475,000 and $16,592,000, respectively, for the same periods in 2021. The variation in deferred tax expenses is mainly due to temporary differences between the carrying amounts of property, plant and equipment and the tax basis.

The combined provincial and federal statutory tax and mining taxes was 38% while the Company's effective tax rates ("ETRs") were 36% and 40%, respectively, for the three-month period and year ended March 31, 2022, compared to 40% and 39%, respectively, for the same periods in 2021. The lower ETR for the three-month period ended March 31, 2022 was due to a lower mining profit margin, which resulted in a lower tax rate, as per the progressive mining tax rates schedule detailed previously, partially offset by the impact of a capital loss not recognized, combined with the 5% withholding tax paid by Champion on the dividend received from QIO and the recognition of a deferred tax liability on its investments in QIO.

9. Financial Performance (continued)

G. Income Taxes (continued)

During the year ended March 31, 2022, the Company paid $475,278,000 in income and mining taxes, of which $191,542,000 was for mining and income taxes for the period of April 1, 2020 to March 31, 2021, and $283,736,000 was for tax installments. Since monthly tax installments are based on the previous 2021 fiscal year's taxable income, which was lower due to the iron ore concentrate price volatility during the year ended March 31, 2022, current income and mining taxes of $306,480,000 exceed the $283,736,000 paid in tax installments, resulting in income and mining taxes payable of $22,744,000 as at March 31, 2022.

H. Net Income & EBITDA[1]

Fourth Quarter of the 2022 Fiscal Year vs Fourth Quarter of the 2021 Fiscal Year

For the three-month period ended March 31, 2022, the Company generated net income of $115,653,000 (EPS of $0.23), compared to $155,934,000 (EPS of $0.32) for the same period in 2021. The net income was mainly affected by lower gross profits associated with a lower P65 index average price and higher sea freight and other costs during the period, as well as by lower volumes of iron ore concentrate sold, compared to the same prior-year period. The decrease in net income is partially offset by lower current income and mining taxes as a result of lower operating earnings.

For the three-month period ended March 31, 2022, the Company generated an EBITDA[1] of $197,938,000, including non-cash share-based compensation and pre-commercial start-up costs for Phase II totalling $12,654,000, representing an EBITDA margin[1] of 60%, compared to $275,764,000, representing an EBITDA margin[1] of 70% for the same period in 2021. The decrease in EBITDA[1] period-over-period is primarily due to lower revenue from lower net average realized selling prices[1].

2022 Fiscal Year vs 2021 Fiscal Year

For the year ended March 31, 2022, the Company generated net income of $522,585,000 (EPS of $1.03), compared to $464,425,000 (EPS of $0.97) for the same period in 2021. The increase in net income is mainly due to higher gross profits and lower net finance costs mainly attributable to a lower foreign exchange loss for the period. The increase is partially offset by Bloom Lake Phase II start-up costs, higher G&A expenses and higher current income and mining taxes as a result of higher operating earnings.

For the year ended March 31, 2022, the Company generated an EBITDA[1] of $925,817,000, representing an EBITDA margin[1] of 63%, compared to $819,477,000, representing an EBITDA margin[1] of 64% for the same period in 2021. This increase in EBITDA[1] is mainly attributable to the increase in the net average realized selling price[1], partially offset by higher production costs and pre-commercial start-up costs for Phase II.

I. AISC[1] and Cash Operating Margin[1]

During the three-month period ended March 31, 2022, the Company realized an AISC[1] of $70.5/dmt, compared to $65.1/dmt for the same period in 2021. The variation relates to higher total cash costs[1] and the negative impact of lower volumes of iron ore concentrate sold. Deducting the AISC[1] of $70.5/dmt from the net average realized selling price[1] of $175.3/dmt, the Company generated a cash operating margin[1] of $104.8/dmt for each tonne of high-grade iron ore concentrate sold during the three-month period ended March 31, 2022, compared to $136.2/dmt for the same prior-year period. The variation is mainly due to a lower net average realized selling price[1] for the period.

During the year ended March 31, 2022, the Company recorded an AISC[1] of $73.1/dmt, compared to $62.8/dmt for the same period in 2021. The variation is due to higher total cash costs[1], higher sustaining capital expenditures related to higher stripping and mining activities and higher investments made in tailings lifts associated with preventive and corrective interventions on two specific dikes. The cash operating margin[1] totalled $117.8/dmt for the year ended March 31, 2022, compared to $104.0/dmt for the same period in 2021. The variation is mainly due to a higher net average realized selling price[1].

[1] This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

10. Exploration Activities and Regional Growth

Exploration and Evaluation Activities

During the three-month period and year ended March 31, 2022, the Company maintained all of its properties in good standing and did not enter into any farm-in/farm-out arrangements. During the year ended March 31, 2022, $400,000 and $3,711,000 in exploration and evaluation expenditures were incurred, respectively, compared to $226,000 and $581,000 for the same periods in 2021.

During the year ended March 31, 2022, exploration and evaluation expenditures mainly consisted of $1,300,000 in acquisition costs for the Lac Lamêlée South property. Exploration expenditures also included costs associated with work related to updating the Kami Project feasibility study, minor exploration work and claim renewal fees.

In the comparative periods, exploration and evaluation expenditures mainly consisted of fees required to maintain the Company's exploration properties, exploration expenses related to drilling and geophysical work at the Company's Gullbridge-Powderhorn property, located in Northern Central Newfoundland, and the staking costs for additional exploration claims.

Acquisition of Exploration Property from Fancamp Exploration Ltd. ("Fancamp")

On July 12, 2021, the Company completed the acquisition of the Lac Lamêlée South property and a 1.5% net smelter royalty interest on the Company's Moiré Lake property and the Company's Fermont property portfolio, including the O'Keefe-Purdy, Harvey-Tuttle, and Consolidated Fire Lake North properties from Fancamp.

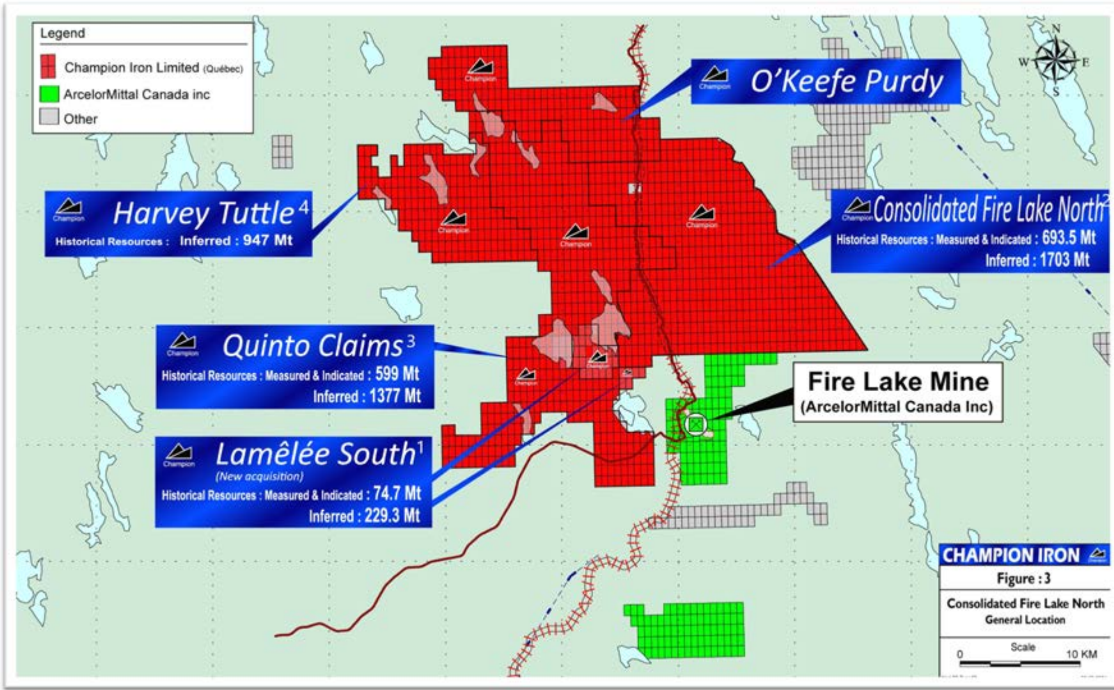
The Lac Lamêlée South property adds an additional 74.7 Mt[1] of historical indicated resources and 229.3 Mt[1] of historical inferred resources, with the project located adjacent to the Company's existing development properties south of Bloom Lake. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves.

Consideration paid to Fancamp included $1,300,000 in cash, an undertaking in favour of Fancamp to make future finite production payments on a fixed amount of future iron ore production payable once certain production thresholds have been reached with respect to the Lac Lamêlée South, Moiré Lake and Fermont property portfolio properties.

Concurrently with the transaction, the Company also staked 11 additional claims directly adjacent to the Lac Lamêlée South property, in order to supplement its holdings in this area.

[1] The historical Lac Lamêlée resource estimates are based on the NI 43-101 technical report entitled "NI 43-101 Technical Report and Mineral Resource Estimate on the Lac Lamêlée South Resources Quebec - Canada" by Met-Chem, a division of DRA Americas Inc. dated July 28, 2017 and having an effective date of January 26, 2017. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.

10. Exploration Activities and Regional Growth (continued)



Notes

1. The historical Lac Lamêlée South resource estimates are based on the NI 43-101 technical report entitled "NI 43-101 Technical Report and Mineral Resource Estimate on the Lac Lamêlée South Resources Quebec - Canada" by Met-Chem, a division of DRA Americas Inc. dated July 28, 2017 and having an effective date of January 26, 2017. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralization have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.
2. The historical Consolidated Fire Lake resource estimates are based on the NI 43-101 technical report entitled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project" by BBA Inc., P&E Mining Consultants Inc. and Rail Cantech Inc. dated February 22, 2013 and having an effective date of January 25, 2013. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion Iron Limited is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near Champion Iron Limited's existing mining tenements and therefore the reports on these mineralization have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.
3. The historical Quinto Claims resource estimates are based on the NI 43-101 technical reports entitled "Mineral Resource Technical Report, Peppler Project, Quebec" (as regards Peppler Lake), "Mineral Resource Technical Report, Lamelee Project, Quebec" (as regards Lamêlée) and "Mineral Resource Technical Report, Hobdad Project, Quebec" (as regards Hobdad), each prepared by G H Wahl & Associates Consulting dated February 15, 2013 and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion Iron Limited is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near Champion Iron Limited's existing mining tenements and therefore the reports on these mineralization have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.
4. The historical Harvey Tuttle resource estimates are based on the NI 43-101 technical report entitled "Technical Report and Resource Estimate on the Harvey-Tuttle Property Québec, Canada" by P&E Mining Consultants Inc. dated April 13, 2011 and having an effective date of February 25, 2011. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion Iron Limited is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near Champion Iron Limited's existing mining tenements and therefore the reports on these mineralization have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.
5. Certain resources mentioned are foreign estimates from an Australian perspective.

10. Exploration Activities and Regional Growth (continued)

Acquisition of the Kami Project

On April 1, 2021, the Company completed the acquisition of the Kami Project and certain related contracts. The Kami Project and related mining properties are located in the Labrador Trough geological belt in southwestern Newfoundland, near the Québec border. Refer to note 8 — Acquisition of the Kami Project in the Financial Statements.

The Kami Project is a high-grade iron ore project near available infrastructure, situated only a few kilometers south-east of the Company's operating Bloom Lake Mine. Alderon Iron Ore Corp. ("Alderon"), the Kami Project's former owner, previously disclosed historical resources estimated at 1,274.5 Mt of measured and indicated resources (536.9 Mt measured and 737.6 Mt indicated) and proven and probable reserves of 517.2 Mt (392.7 Mt proven and 124.5 Mt probable). The historical mineral resources and reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition), and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves[1].

Alderon completed an updated feasibility study on the Kami Project in September 2018. The Company is currently revising the Kami Project's scope with the aim of maximizing the project's value by incorporating the most recent mining technologies. Over the upcoming months, the Company will evaluate the amenability of the deposit's feasibility study to produce a DR grade product. The updated feasibility study is expected to be completed in the second half of calendar 2022, as part of the Company's strategy to evaluate its growth alternatives within its property portfolio.

1 The historical Kami Project resource estimates are based on the NI 43-101 technical report entitled "Feasibility Study of the Rose Deposit and Resource Estimate for the Mills Lake Deposit of the Kamistiatusset (Kami) Iron Ore Property, Labrador" prepared for Alderon Iron Ore Corp. by BBA Inc., Stantec and Watts, Griffis and McOuat Ltd. dated January 9, 2013 and having an effective date of December 17, 2012. The historical Kami Project reserve estimates are based on the NI 43-101 technical report entitled "Updated Feasibility Study of the Kamistiatusset (Kami) Iron Ore Property, Labrador" prepared for Alderon Iron Ore Corp. by BBA Inc., Gemtec Ltd., Watts, Griffis and McOuat Ltd. and Golder Associates Ltd. dated October 31, 2018 and having an effective date of September 26, 2018. Kami Project mineral resources include Kami Project mineral reserves. The historical mineral resources and reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralizations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules. As stated above, the Company has initiated work to revise the Kami Project's scope and update the feasibility study.

11. Cash Flows

The following table summarizes cash flow activities:

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	**2022**	2021
(in thousands of dollars)				
Operating cash flows before working capital	**144,336**	168,693	**614,677**	519,097
Changes in non-cash operating working capital	**(140,056)**	59,873	**(144,242)**	105,322
Net cash flow from operating activities	**4,280**	228,566	**470,435**	624,419
Net cash flow used in investing activities	**(134,297)**	(91,439)	**(635,465)**	(245,085)
Net cash flow used in financing activities	**(14,793)**	(15,314)	**(118,141)**	(26,300)
Net increase (decrease) in cash and cash equivalents	**(144,810)**	121,813	**(283,171)**	353,034
Effects of exchange rate changes on cash and cash equivalents	**(1,380)**	(2,137)	**(4,253)**	(25,081)
Cash and cash equivalents, beginning of period	**468,082**	489,640	**609,316**	281,363
Cash and cash equivalents, end of period	**321,892**	609,316	**321,892**	609,316
Operating cash flow per share[1]	**0.01**	0.46	**0.93**	1.30

Operating

During the three-month period ended March 31, 2022, the Company generated operating cash flows of $144,336,000 before working capital items, compared to $168,693,000 for the same period in 2021. The decrease is largely driven by a lower net average realized selling price[1] and lower volumes of concentrate sold. Changes in working capital items for the period were mainly affected by the timing of supplier payments, related to Phase II construction and customer receipts. Based on the foregoing, the operating cash flow per share[1] for the three-month period ended March 31, 2022 was $0.01, compared to an operating cash flow per share[1] of $0.46 for the same period in 2021.

During the year ended March 31, 2022, the Company's operating cash flows before working capital items totalled $614,677,000, compared to $519,097,000 for the same period in 2021. The variation is driven by a higher net average realized selling price[1]. In addition to the payment of $191,542,000 for mining and income taxes for the April 1, 2020 to March 31, 2021 period, changes in working capital items during the year ended March 31, 2022 were mainly affected by the timing of supplier payments and customer receipts. After working capital items, the operating cash flow per share[1] for the period totalled $0.93, compared to $1.30 for the same period in 2021.

Investing

i. Purchase of Property, Plant and Equipment

During the three-month period and year ended March 31, 2022, the Company invested $117,779,000 and $519,322,000, respectively, in addition to property, plant and equipment, compared to $74,500,000 and $174,650,000, respectively, for the same periods in 2021. The following table details these investments:

	Three Months Ended March 31,		Year Ended March 31,	
	2022	2021	**2022**	2021
(in thousands of dollars)				
Tailings lifts	**—**	839	**27,512**	8,165
Stripping and mining activities	**7,581**	7,346	**35,747**	22,831
Mining equipment rebuild	**4,162**	5,008	**13,697**	11,762
Sustaining capital expenditures	**11,743**	13,193	**76,956**	42,758
Phase II	**83,669**	45,971	**354,035**	97,087
Other capital development expenditures at Bloom Lake	**22,367**	15,336	**88,331**	34,805
Purchase of property, plant and equipment as per cash flows	**117,779**	74,500	**519,322**	174,650

1 This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

11. Cash Flows (continued)

Investing (continued)

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

Sustaining Capital Expenditures

Early in the 2021 fiscal year, the Company ramped down its operations following Government directives in response to the COVID-19 pandemic and implemented several measures in its efforts to mitigate the risks related to the spread of the virus. As a result, the overall sustaining capital expenditures were lower and delayed in the 2021 fiscal year, compared to the 2022 fiscal year.

The increase in tailings-related investments for the year ended March 31, 2022, compared to the same period in 2021, is due to preventive works performed on the dikes. As part of the Company's ongoing and thorough tailings infrastructure monitoring and inspections, the Company continues to invest in its safe tailings strategy. Preventive and corrective interventions on two specific dikes were scheduled for the 2022 fiscal year, with $27,512,000 spent to correct identified discrepancies on specific dikes from their original designs, compared to works completed by the asset’s previous owner.

The increase in stripping and mining activities during the year ended March 31, 2022, compared to the same period in 2021, was anticipated with the preparation for Phase II project operations and was also attributable to the ramp-down of operations in the first quarter of the 2021 fiscal year, mandated by the Government's COVID-19 containment directives, whereby operations were negatively affected in the comparable period.

The Company's mining equipment maintenance program reflects the work planned and undertaken during the year ended March 31, 2022.

Phase II

For the year ended March 31, 2022, $354,035,000 was spent in capital expenditures. Cumulative investments of $625,200,000, including deposits, were deployed on the project as at March 31, 2022.

Other Capital Development Expenditures at Bloom Lake

During the three-month period ended March 31, 2022, other capital development expenditures at Bloom Lake totalled $22,367,000. The expenditures mainly consisted of $13,750,000 in deposits for production equipment to be commissioned and financed in the future through the finance agreement with Caterpillar Financial Services Limited, $4,365,000 in borrowing costs capitalized during the development period of the Phase II project and an investment of $1,948,000 to improve mill and other infrastructure capacity.

During the year ended March 31, 2022, other capital development expenditures at Bloom Lake totalled $88,331,000. During the year ended March 31, 2022, cash outflows include $37,501,000 in deposits for production equipment to be commissioned, an investment of $26,558,000 to increase mill capacity and other infrastructure improvements, capitalized borrowing costs of $15,040,000, related to the Phase II project and a remaining investment of $3,851,000 in lodging infrastructure at the mine site, in order to accommodate a larger workforce. During the year ended March 31, 2022, other capital development expenditures were offset by the receipt of a government grant totalling $6,234,000, related to the Company’s greenhouse gas emissions and energy consumption reduction initiatives. The Company qualified for a grant of up to $21,817,000.

During the three-month period and year ended March 31, 2021, other capital development expenditures at Bloom Lake totalled $15,336,000 and $34,805,000, respectively. The investment for the three-month period ended March 31, 2021 mainly consisted of lodging infrastructure investments at the mine site to accommodate an increasing workforce and prepayments for production equipment. The investment for the year ended March 31, 2021 also included other infrastructure upgrades at the mine, the commissioning of new service equipment and the acquisition of additional used railcars.

ii. Acquisition of the Kami Project

During the year ended March 31, 2022, the Company completed the acquisition of the Kami Project and certain related contracts (refer to note 8 — Acquisition of the Kami Project in the Financial Statements). The consideration included a cash payment of $15,000,000, in addition to $444,000 in transaction costs.

11. Cash Flows (continued)

Investing (continued)

iii. Advance Payments

During the three-month period and year ended March 31, 2022, the Company made advance payments totalling $15,267,000 and $97,067,000, respectively, for infrastructure upgrades required to accommodate the anticipated increase in Phase II production volumes and for Phase II rail access, compared to $9,200,000 and $15,211,000, respectively, for the same prior-year periods. These advance payments are part of the $633.8M construction budget and the increase, compared to the same prior-year periods, is attributable to the project's advancement.

iv. Other Investing Activities

During the year ended March 31, 2022, the Company executed a US$2,500,000 convertible loan to a private entity in connection with its cold pelletizing R&D activities. The Company also acquired common shares of this private entity and fully disposed some of its other marketable securities investments, resulting in net proceeds from non-current investments of $5,034,000, compared to $2,079,000 for the same period in 2021.

During the year ended March 31, 2021, the Company transferred $44,972,000 (US$35,000,000) into a restricted account for potential Phase II project cost overruns, pursuant to a Senior Debt covenant. The cash in the restricted account is expected to be released once Phase II operations satisfy the Senior Debt covenants and conditions.

Financing

During the three-month period ended March 31, 2022, the Company drew down $27,516,000, of which $20,000,000 is related to the IQ Loan to finance the increase in transshipment capacity by SFPPN and the remaining cash inflow is related to the CAT Financing in connection with the funding of Phase II mining equipment. Drawdowns made for the year ended March 31, 2022 were comprised of $60,000,000, $30,000,000 and $30,874,000 related to the IQ Loan, FTQ loan and CAT Financing, respectively.

During the three-month period and year ended March 31, 2022, the Company commenced repayment of the CAT Financing in the amount of $2,116,000. During the same prior-year periods, the Company fully repaid a revolving facility of $25,262,000 (US$20,000,000) that was initially drawn in the 2021 fiscal year to face the uncertainty related to the COVID-19 pandemic. During the year ended March 31, 2022, the Company incurred and paid $4,373,000 for new financing transaction costs, compared to $7,888,000 for the same period in 2021, related to the amendment of the Senior Debt, which was increased to fund the completion of the Phase II project.

During the three-month period ended March 31, 2022, 10,000,000 warrants and 120,000 stock options were exercised for proceeds totalling $11,553,000, compared to 12,733,000 warrants and 110,000 stock options for proceeds totalling $14,485,000 during the same period in 2021. During the year ended March 31, 2022, 10,000,000 warrants and 220,000 stock options were exercised for proceeds totalling $12,053,000, compared to 27,733,000 warrants and 6,694,000 stock options for proceeds totalling $36,277,000 during the same period in 2021.

During the year ended March 31, 2022, the Company’s subsidiary, QIO, redeemed 185,000,000 of its preferred shares held by Caisse de dépôt et placement du Québec, at par value, for consideration of $185,000,000. The redemption of the QIO preferred shares terminated the preferred shares dividend payments and reduced the overall cost of capital for the Company. During the year ended March 31, 2022, QIO declared and paid the accumulated dividends on its preferred shares for a total disbursement of $6,470,000, pursuant to the 9.25% dividend rate, compared to $4,219,000 and $28,439,000, respectively, during the three-month period and year ended March 31, 2021. During the three-month period and year ended March 31, 2022, the Company paid an inaugural dividend on ordinary shares totalling $50,623,000 in connection with the semi-annual financial results for the six-month period ended September 30, 2021.

12. Financial Position

As at March 31, 2022, the Company held $396,405,000 in cash on hand[1] and restricted cash. The Company is well positioned to fund all of its cash requirements for the next 12 months with its existing cash balance, forecasted cash flows from operating activities and the following undrawn available financings:

	As at March 31, 2022
(in thousands of dollars)	
Senior Debt	**274,912**
Caterpillar Financial Services Limited	**63,391**
FTQ loan	**45,000**
IQ Loan	**10,000**
Total available and undrawn loans	**393,303**

Following the announcement of Phase II commissioning, on May 24, 2022, QIO completed the refinancing of the US$400.0M Credit Facility with a US$400.0M general purpose Revolving Facility. The Company drew US$180M on the Revolving Facility, equivalent to the Credit Facility balance as at March 31, 2022. The Revolving Facility is provided by Societe Generale (Coordinating Bank, Mandated Lead Arranger and Joint Bookrunners), The Bank of Nova Scotia (Administrative Agent, Mandated Lead Arranger and Joint Bookrunner), with The Toronto-Dominion Bank, The Royal Bank of Canada (acting as Mandated Lead Arrangers and Joint Bookrunners), with the inclusion of the Bank of China Toronto Branch, Fédération des caisses Desjardins du Québec, Bank of Montreal, National Bank, Bank of America and EDC.

The US$400M Revolving Facility will mature four years from May 24, 2022, and will bear interest based on leverage ratios ranging between the Secured Overnight Financing Rate ("SOFR"), plus a credit spread adjustment plus 2.00% if the net debt to EBITDA ratio is lower or equal to 0.50x to SOFR, plus a credit spread adjustment plus 3.00% if the net debt to EBITDA ratio is greater than 2.50x. The Revolving Facility includes standard and customary finance terms and conditions, including with respect to fees, representations, warranties, covenants and conditions precedent to disbursements. This new facility will enable the Company to lift the restricted cash covenant from the previous Credit Facility and reduce the cost of capital.

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

- Remaining expenditures in relation to the Phase II expansion project;
- Payment of mining and income taxes; and
- Semi and final annual dividends payment to shareholders, if declared.

12. Financial Position (continued)

The following table details the changes to the statements of financial position as at March 31, 2022, compared to March 31, 2021:

	As at March 31, 2022	As at March 31, 2021	Variance
(in thousands of dollars)			
Cash and cash equivalents	**321,892**	609,316	(47%)
Short-term investments	**30,777**	27,200	13%
Cash on hand[1]	**352,669**	636,516	(45%)
Receivables	**124,137**	98,755	26%
Other current assets	**119,133**	72,268	65%
Total current assets	**595,939**	807,539	(26%)
Restricted cash	**43,736**	44,012	(1%)
Property, plant and equipment	**1,070,030**	504,985	112%
Exploration and evaluation assets	**107,810**	76,106	42%
Other non-current assets	**171,715**	64,264	167%
Total assets	**1,989,230**	1,496,906	33%
Total current liabilities	**286,890**	293,767	(2%)
Long-term debt	**251,365**	214,951	17%
Rehabilitation obligation	**86,021**	45,074	91%
Other non-current liabilities	**203,256**	90,097	126%
Total liabilities	**827,532**	643,889	29%
Equity attributable to Champion shareholders	**1,161,698**	853,017	36%
Total equity	**1,161,698**	853,017	36%
Total liabilities and equity	**1,989,230**	1,496,906	33%

The Company's cash and cash equivalents balance on March 31, 2022 decreased from the amount held on March 31, 2021 and is mainly attributable to the payment of $191,542,000 in mining and income taxes for the April 1, 2020 to March 31, 2021 period, investments related to Phase II project capital expenditures, the redemption of the QIO preferred shares for $185,000,000 and the inaugural dividend payment of $50,623,000. The decrease in cash and cash equivalents balance is partially offset by cash flow from operating activities and drawdowns on financing agreements during the year ended March 31, 2022.

Higher receivables were impacted by the sale of concentrate on two vessels which were not yet collected by March 31, 2022, compared to only one vessel in the prior-year period. Higher other current assets are attributable to higher inventories and higher prepaid expenses, mainly related to Phase II.

The increase in property, plant and equipment is mainly attributable to the significant progress made on the Phase II expansion project, the receipt of most of the railcars required for projected Phase II increases in volume and the increase in the asset rehabilitation obligation of $44,605,000, as detailed in an updated rehabilitation study (refer to note 16 — Rehabilitation Obligation in the Financial Statements). The increase in exploration and evaluation assets relates mainly to the acquisition of assets related to the Kami Project. Other non-current assets increased, reflecting the deposits and advance payments made in connection with Phase II.

Higher total current liabilities are mainly due to increased accounts payable balances related to the Phase II project, as several final payments became due following the completion of most of the construction work. In addition, higher total current liabilities are due to the reclassification of the Senior Debt's first four quarterly principal payments totalling $59,981,000 (US$48,000,000) as a current liability, together with the current portion of the IQ loan and CAT Financing. The increase in total current liabilities is partially offset by lower income and mining taxes payable of $22,744,000 as at March 31, 2022, as income and mining taxes payable for the 2021 fiscal year were paid in May 2021.

[1] This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

12. Financial Position (continued)

The increase in long-term debt during the year ended March 31, 2022 is mainly due to the $60,000,000 drawdown of the IQ Loan, the $30,000,000 drawdown in relation to the loan agreement with FTQ and the $30,874,000 drawdown of the CAT Financing. This increase is partially offset by the reclassification of the principal payments listed above to current liabilities.

Following the completion of a new rehabilitation obligation study during the year ended March 31, 2022, which was required for additional consideration related to the Phase II project, the rehabilitation obligation significantly increased.

The increase in other non-current liabilities is mainly due to additional lease liabilities in the year ended March 31, 2022, following the receipt of most of the railcars and equipment required to support the projected increase in Phase II volumes.

The increase in total equity is mainly attributable to an increase in retained earnings through net income during the year ended March 31, 2022 and the issuance of shares related to the acquisition of the Kami Project, partially offset by the redemption of 185,000,000 QIO preferred shares and the inaugural dividend payment on ordinary shares.

13. Financial Instruments

The nature and extent of risks arising from the Company's financial instruments are summarized in note 26 of the Financial Statements for the year ended March 31, 2022.

14. Contingencies

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

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

Contractual Obligations and Commitments

The following are the contractual maturities of the Company's liabilities, with estimated future interest payments, segmented by period, and the future minimum payments of the commitments, as at March 31, 2022:

(in thousands of dollars)	Less than a Year	1 to 5 Years	More than 5 Years	Total
Accounts payable and other	**182,548**	**—**	**—**	**182,548**
Long-term debt, including capital and future interest payment	**84,509**	**233,649**	**68,310**	**386,468**
Lease liabilities, including future interest	**4,936**	**16,494**	**67,213**	**88,643**
Commitments as per note 29 of the Financial Statements	**154,938**	**106,119**	**210,596**	**471,653**
	426,931	**356,262**	**346,119**	**1,129,312**

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

15. Contractual Obligations, Commitments and Off-Balance Sheet Arrangements (continued)

Contractual Obligations and Commitments (continued)

In relation to the acquisition of the Kami Project and contingent upon it advancing to commercial production, the Company is subject to:

- A gross sales royalty to Altius Resources Inc. on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products;
- Finite production payments on future production;
- Education and training fund for the local communities; and
- Special tax payment to the Minister of Finance of Newfoundland and Labrador.

The Company is also subject to a limited production payment on its Consolidated Fire Lake North, Lac Lamêlée, Moiré Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

Other Off-Balance Sheet Arrangements

The undrawn portion of the Senior Debt totalled US$220,000,000, which was composed of a term facility of US$170,000,000 that was only available during the pre-completion period of Phase II, and a revolving credit facility of US$50,000,000; both of which were subject to standby commitment fees.

The undrawn portion of the FTQ loan amounted to $45,000,000, as at March 31, 2022, and is subject to standby commitment fees.

The undrawn portion of the finance agreement with Caterpillar Financial Services amounted to US$50,729,000, as at March 31, 2022. The original amount of US$75,000,000 may be increased at Caterpillar Financial Services' discretion up to an amount no greater than US$125,000,000. The finance agreement is also subject to standby commitment fees.

The undrawn portion of the IQ Loan amounted to $10,000,000 as at March 31, 2022.

Based on the foregoing, as at March 31, 2022, the Company is benefiting from available and undrawn loans totalling $393,303,000, which will allow the Company to fund all its cash requirements for the next 12 months.

16. Critical Accounting Estimates and Judgments

The Company's significant accounting judgments, estimates and assumptions are summarized in note 2 of the Financial Statements for the year ended March 31, 2022.

17. New Accounting Standards Issued and Adopted by the Company

The new accounting standards issued and adopted by the Company are disclosed in note 2 to the Financial Statements for the year ended March 31, 2022.

18. New Accounting Standards Issued but not in Effect

The new accounting standards issued but not yet in effect are disclosed in note 2 to the Financial Statements for the year ended March 31, 2022.

19. Related Party Transactions

Related party transactions consist of transactions with key management personnel. The Company considers its members of the Board and senior officers to be key management personnel. Transactions with key management personnel are disclosed in note 28 of the Financial Statements for the year ended March 31, 2022.

20. Non-IFRS and Other Financial Measures

The Company has included certain non-IFRS financial measures, ratios and supplementary financial measures in this Directors' Report, as listed in the table below, to provide investors additional information 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 a substitute 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.

Non-IFRS and Other Financial Measures	
Non-IFRS Financial Measures	
EBITDA	Earnings before income and mining taxes, net finance costs and depreciation
Adjusted net income	Net income plus incremental costs related to COVID-19 and Phase II start-up costs, less gain on disposal of non-current investments, and the related tax effect of these items
Cash on hand	Cash and cash equivalents plus short-term investments
Non-IFRS Ratios	
EBITDA margin	EBITDA as a percentage of revenues
Adjusted EPS	Adjusted net income per basic weighted average number of ordinary shares outstanding
Total cash cost or C1 cash cost per dmt sold	Cost of sales before incremental costs related to COVID-19 divided by iron ore concentrate sold in dmt
AISC per dmt sold	Cost of sales before incremental costs related to COVID-19 plus sustaining capital expenditures and G&A expenses divided by iron ore concentrate sold in dmt
Cash operating margin	Net average realized selling price less AISC
Gross average realized selling price or gross average realized FOB selling price per dmt sold	Revenues before provisional pricing adjustments and freight and other costs divided by iron ore concentrate sold in dmt
Cash profit margin	Cash operating margin as a percentage of net average realized selling price
Other Financial Measures	
Net average realized selling price or net average realized FOB selling price per dmt sold	Revenues divided by iron ore concentrate sold in dmt
Operating cash flow per share	Net cash flow from (used in) operating activities per basic weighted average number of ordinary shares outstanding

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

EBITDA and EBITDA Margin

EBITDA is a non-IFRS financial measure that allows comparability of operating results from one period to another by excluding the effects of items that are usually associated with investing and financing activities. EBITDA is not necessarily indicative of operating profit or cash flows from operating activities as determined under IFRS. For simplicity and comparative purposes, the Company did not exclude non-cash share-based payments, Phase II pre-commercial start-up costs, COVID-19-related expenditures and other income.

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

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

				Three Months Ended	**Year Ended**
	June 30,	September 30,	December 31,	**March 31,**	**March 31,**
	2021	2021	2021	**2022**	**2022**
(in thousands of dollars)					
Income before income and mining taxes	391,393	189,564	108,574	**181,312**	**870,843**
Net finance costs	4,387	1,012	3,377	**2,269**	**11,045**
Depreciation	9,959	9,437	10,176	**14,357**	**43,929**
EBITDA	405,739	200,013	122,127	**197,938**	**925,817**
Revenues	545,408	331,006	253,016	**331,376**	**1,460,806**
EBITDA margin	74%	60%	48%	**60%**	**63%**

				Three Months Ended	Year Ended
	June 30,	September 30,	December 31,	March 31,	March 31,
	2020	2020	2020	2021	2021
(in thousands of dollars)					
Income before income and mining taxes	120,077	186,096	194,652	261,047	761,872
Net finance costs	1,145	4,530	11,323	5,430	22,428
Depreciation	8,940	8,346	8,604	9,287	35,177
EBITDA	130,162	198,972	214,579	275,764	819,477
Revenues	244,574	310,994	329,545	396,702	1,281,815
EBITDA margin	53%	64%	65%	70%	64%

Adjusted Net Income and Adjusted EPS

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

In line with the Government's directives, the Company implemented several measures in its efforts to mitigate the risks related to the COVID-19 pandemic. Incremental costs related to COVID-19 are mainly comprised of on-site COVID-19 testing and laboratory costs, incremental costs for cleaning and disinfecting facilities, premium payroll costs from adjusted work schedules and additional transportation costs. These costs do not include the inefficiency costs associated with the COVID-19 pandemic across all areas of the Company’s operations. Pre-commercial start-up costs for the Phase II project mainly related to staff mobilization and training costs and are part of the construction budget of $633.8M. Management believes these items have a disproportionate impact on the results for a period.

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

Adjusted Net Income and Adjusted EPS (continued)

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

	June 30, 2021		September 30, 2021		December 31, 2021		**Three Months Ended March 31, 2022**		**Year Ended March 31, 2022**	
	Net Income	**EPS**	**Net Income**	**EPS**	**Net Income**	**EPS**	**Net Income**	**EPS**	**Net Income**	**EPS**
(in thousands of dollars except per share)										
Unadjusted	224,339	0.44	114,596	0.23	67,997	0.13	**115,653**	0.23	**522,585**	1.03
Cash items										
Gain on disposal of non-current investments	(408)	—	232	—	—	—	**—**	—	**(176)**	—
Incremental costs related to COVID-19	2,068	—	1,099	—	1,366	—	**3,310**	0.01	**7,843**	0.02
Bloom Lake Phase II start-up costs	—	—	4,613	0.01	7,174	0.01	**5,965**	0.01	**17,752**	0.03
	1,660	—	5,944	0.01	8,540	0.01	**9,275**	0.02	**25,419**	0.05
Tax effect of adjustments listed above[1]	(889)	—	(2,228)	(0.01)	(3,501)	—	**(3,617)**	(0.01)	**(10,236)**	(0.02)
Adjusted	225,110	0.44	118,312	0.23	73,036	0.14	**121,311**	0.24	**537,768**	1.06

	June 30, 2020		September 30, 2020		December 31, 2020		Three Months Ended March 31, 2021		Year Ended March 31, 2021	
	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS	Net Income	EPS
(in thousands of dollars except per share)										
Unadjusted	75,556	0.16	112,164	0.24	120,771	0.25	155,934	0.32	464,425	0.97
Non-cash item										
Loss on debt refinancing	—	—	—	—	1,863	—	—	—	1,863	—
	—	—	—	—	1,863	—	—	—	1,863	—
Cash items										
Gain on disposal of non-current investments	—	—	—	—	—	—	(2,332)	(0.01)	(2,332)	(0.01)
Incremental costs related to COVID-19	4,562	0.01	2,671	—	2,215	0.01	3,162	0.01	12,610	0.03
	4,562	0.01	2,671	—	2,215	0.01	830	—	10,278	0.02
Tax effect of adjustments listed above[1]	(2,114)	—	(1,076)	—	(1,430)	—	(1,265)	(0.01)	(5,885)	(0.01)
Adjusted	78,004	0.17	113,759	0.24	123,419	0.26	155,499	0.31	470,681	0.98

[1] The tax effect of adjustments is calculated using the applicable tax rate.

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

Cash on Hand

Cash on hand is defined as accessible cash or which can be converted quickly into cash, and includes cash held in financial institutions, short-term deposits that mature within twelve months and all other cash equivalents. The Company uses cash on hand to measure its liquidity to meet the requirement of lenders, fund capital expenditures and support operations. This measure is also monitored by Management to prudently manage its liquidity. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	**321,892**	609,316
Short-term investments	**30,777**	27,200
Cash on hand	**352,669**	636,516

Total Cash Cost

Total cash cost, or C1 cash cost, is a common financial performance measure in the iron ore mining industry. Champion reports total cash cost on a sales basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as sales, certain investors use this information to evaluate the Company’s performance and ability to generate operating earnings and cash flows from its mining operations. This measure also enables investors to better understand the performance of the Company's iron ore operations in comparison to other iron ore producers who present results on a similar basis. Management uses this metric as an important tool to monitor operating cost performance. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

The cost of sales includes production costs such as mining, processing and mine site-related G&A expenses as well as rail and port operation costs, and is adjusted to exclude incremental costs related to COVID-19. Depreciation expense is not a component of total cash cost. Phase II start-up costs are not included in total cash cost as these are pre-commercial expenses related to the Phase II.

				Three Months Ended	**Year Ended**
	June 30,	September 30,	December 31,	**March 31,**	**March 31,**
	2021	2021	2021	**2022**	**2022**
Per tonne sold					
Iron ore concentrate sold (dmt)	1,974,700	1,953,900	1,832,100	**1,889,900**	**7,650,600**
(in thousands of dollars except per tonne)					
Cost of sales	120,846	110,884	110,290	**116,658**	**458,678**
Less: Incremental costs related to COVID-19	(2,068)	(1,099)	(1,366)	**(3,310)**	**(7,843)**
	118,778	109,785	108,924	**113,348**	**450,835**
Total cash cost (per dmt sold)	60.1	56.2	59.5	**60.0**	**58.9**

				Three Months Ended	Year Ended
	June 30,	September 30,	December 31,	March 31,	March 31,
	2020	2020	2020	2021	2021
Per tonne sold					
Iron ore concentrate sold (dmt)	1,758,800	2,063,400	1,891,200	1,971,100	7,684,500
(in thousands of dollars except per tonne)					
Cost of sales	107,338	102,739	108,506	110,299	428,882
Less: Incremental costs related to COVID-19	(4,562)	(2,671)	(2,215)	(3,162)	(12,610)
	102,776	100,068	106,291	107,137	416,272
Total cash cost (per dmt sold)	58.4	48.5	56.2	54.4	54.2

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

All-In Sustaining Cost

The Company believes that AISC defines the total cost associated with producing iron ore concentrate more accurately as this measure reflects all the sustaining expenditures incurred to produce high-grade iron ore concentrate. As this measure is intended to represent the cost of selling iron ore concentrate from current operations, it does not include capital expenditures attributable to development projects or mine expansions that would increase production capacity or mine life, including economic evaluations for such projects. It also does not include product R&D expenses, start-up costs and exploration expenses that are not sustainable in nature, income and mining tax expenses, working capital, defined as current assets less current liabilities, interest costs, or other income (expense). This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

The Company calculates AISC as the sum of total cash cost, sustaining capital, including deferred stripping cost and G&A expenses divided by the iron ore concentrate sold to arrive at a per dmt figure. The AISC excludes the incremental costs related to COVID-19. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital. The sustaining capital included in the AISC calculation excludes development capital expenditures such as capacity increase projects and studies for future expansion projects.

			Three Months Ended		**Year Ended**
	June 30, 2021	September 30, 2021	December 31, 2021	**March 31, 2022**	**March 31, 2022**
Per tonne sold					
Iron ore concentrate sold (dmt)	1,974,700	1,953,900	1,832,100	**1,889,900**	**7,650,600**
(in thousands of dollars except per tonne)					
Cost of sales	120,846	110,884	110,290	**116,658**	**458,678**
Less: Incremental costs related to COVID-19	(2,068)	(1,099)	(1,366)	**(3,310)**	**(7,843)**
Sustaining capital expenditures[1]	16,767	26,461	21,985	**11,743**	**76,956**
G&A expenses	7,804	7,548	8,323	**8,094**	**31,769**
	143,349	143,794	139,232	**133,185**	**559,560**
AISC (per dmt sold)	72.6	73.6	76.0	**70.5**	**73.1**

			Three Months Ended		Year Ended
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	March 31, 2021
Per tonne sold					
Iron ore concentrate sold (dmt)	1,758,800	2,063,400	1,891,200	1,971,100	7,684,500
(in thousands of dollars except per tonne)					
Cost of sales	107,338	102,739	108,506	110,299	428,882
Less: Incremental costs related to COVID-19	(4,562)	(2,671)	(2,215)	(3,162)	(12,610)
Sustaining capital expenditures[1]	5,946	12,177	11,442	13,193	42,758
G&A expenses	5,184	5,695	4,810	7,905	23,594
	113,906	117,940	122,543	128,235	482,624
AISC (per dmt sold)	64.8	57.2	64.8	65.1	62.8

[1] Purchase of property, plant and equipment as per the consolidated statements of cash flows are classified into sustaining capital expenditures, Phase II capital expenditures and other capital development expenditures at Bloom Lake. Sustaining capital expenditures are defined as capital expenditures to sustain or maintain the existing assets to achieve operations as per the mine plan, from which future economic benefits will be derived. Refer to section 13 — Cash flows of this Directors' Report.

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

Cash Operating Margin and Cash Profit Margin

Cash operating margin per dmt sold is used by Management to better understand the iron ore concentrate margin realized throughout a period. Cash operating margin represents the net average realized selling price per dmt sold less AISC per dmt sold. Cash profit margin represents the cash operating margin per dmt sold divided by the net average realized selling price per dmt sold. These measures do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

				Three Months Ended	**Year Ended**
	June 30,	September 30,	December 31,	**March 31,**	**March 31,**
	2021	2021	2021	**2022**	**2022**
Per tonne sold					
Iron ore concentrate sold (dmt)	1,974,700	1,953,900	1,832,100	**1,889,900**	**7,650,600**
(in thousands of dollars except per tonne)					
Revenues	545,408	331,006	253,016	**331,376**	**1,460,806**
Net average realized selling price (per dmt sold)	276.2	169.4	138.1	**175.3**	**190.9**
AISC (per dmt sold)	72.6	73.6	76.0	**70.5**	**73.1**
Cash operating margin (per dmt sold)	203.6	95.8	62.1	**104.8**	**117.8**
Cash profit margin	74%	57%	45%	**60%**	**62%**

				Three Months Ended	Year Ended
	June 30,	September 30,	December 31,	March 31,	March 31,
	2020	2020	2020	2021	2021
Per tonne sold					
Iron ore concentrate sold (dmt)	1,758,800	2,063,400	1,891,200	1,971,100	7,684,500
(in thousands of dollars except per tonne)					
Revenues	244,574	310,994	329,545	396,702	1,281,815
Net average realized selling price (per dmt sold)	139.1	150.7	174.2	201.3	166.8
AISC (per dmt sold)	64.8	57.2	64.8	65.1	62.8
Cash operating margin (per dmt sold)	74.3	93.5	109.4	136.2	104.0
Cash profit margin	53%	62%	63%	68%	62%

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

Gross Average Realized Selling Price per dmt Sold

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

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

				Three Months Ended	**Year Ended**
	June 30,	September 30,	December 31,	**March 31,**	**March 31,**
	2021	2021	2021	**2022**	**2022**
Per tonne sold					
Iron ore concentrate sold (dmt)	1,974,700	1,953,900	1,832,100	**1,889,900**	**7,650,600**
(in thousands of dollars except per tonne)					
Revenues	545,408	331,006	253,016	**331,376**	**1,460,806**
Provisional pricing adjustments	(60,895)	11,229	7,466	**(28,769)**	**(70,969)**
Freight and other costs	67,807	85,219	96,849	**88,757**	**338,632**
Gross revenues	552,320	427,454	357,331	**391,364**	**1,728,469**
Gross average realized selling price (per dmt sold)	279.7	218.8	195.0	**207.1**	**225.9**

				Three Months Ended	Year Ended
	June 30,	September 30,	December 31,	March 31,	March 31,
	2020	2020	2020	2021	2021
Per tonne sold					
Iron ore concentrate sold (dmt)	1,758,800	2,063,400	1,891,200	1,971,100	7,684,500
(in thousands of dollars except per tonne)					
Revenues	244,574	310,994	329,545	396,702	1,281,815
Provisional pricing adjustments	(23,135)	(28,980)	(15,376)	(20,449)	(87,940)
Freight and other costs	41,027	54,002	54,331	57,456	206,816
Gross revenues	262,466	336,016	368,500	433,709	1,400,691
Gross average realized selling price (per dmt sold)	149.2	162.8	194.8	220.0	182.3

21. Share Capital Information

The Company's share capital consists of ordinary shares without par value. As of May 25, 2022, there are 516,611,876 ordinary shares issued and outstanding. In addition, there are 5,765,399 ordinary shares issuable pursuant to options, restricted share units, deferred share units and performance share units, and 15,281,250 ordinary shares issuable pursuant to warrants.

22. Summary of Quarterly Results

The following information is derived from and should be read in conjunction with the Financial Statements for the year ended March 31, 2022 and the unaudited interim consolidated financial statements for the previous quarters as well as with the audited annual financial statements for the year ended March 31, 2021.

The Company's fiscal year ends on March 31. All financial data is stated in millions of dollars except for earnings per share and adjusted EPS[1].

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Financial Data ($ millions)								
Revenues	331.4	253.0	331.0	545.4	396.7	329.5	311.0	244.6
Operating income	173.7	109.2	190.4	400.0	262.5	203.3	189.5	118.8
EBITDA[1]	197.9	122.1	200.0	405.7	275.8	214.6	199.0	130.2
Net income	115.7	68.0	114.6	224.3	155.9	120.8	112.2	75.6
Adjusted net income[1]	121.3	73.0	118.3	225.1	155.5	123.4	113.8	78.0
EPS - basic	0.23	0.13	0.23	0.44	0.32	0.25	0.24	0.16
EPS - diluted	0.22	0.13	0.22	0.43	0.30	0.24	0.22	0.15
Adjusted EPS - basic[1]	0.24	0.14	0.23	0.44	0.31	0.26	0.24	0.17
Net cash flow (used in) from operations	4.3	104.6	374.1	(12.6)	228.6	189.1	131.4	75.3
Operating Data								
Waste mined and hauled (thousands of wmt)	5,072	5,442	5,300	4,700	3,796	4,958	4,114	2,613
Ore mined and hauled (thousands of wmt)	5,388	5,517	5,714	5,644	5,636	5,183	6,070	4,683
Strip ratio	0.94	0.99	0.93	0.83	0.67	0.96	0.68	0.56
Ore milled (thousands of wmt)	4,904	5,161	5,680	5,227	5,238	5,194	5,563	4,605
Head grade Fe (%)	30.3	30.6	29.1	29.6	30.7	29.7	30.9	31.3
Fe recovery (%)	82.7	83.9	83.3	82.9	82.6	83.6	85.2	82.3
Product Fe (%)	66.2	66.2	66.3	66.3	66.5	66.4	66.1	66.5
Iron ore concentrate produced (thousands of wmt)	1,869	2,013	2,089	1,936	2,011	1,922	2,269	1,799
Iron ore concentrate sold (thousands of dmt)	1,890	1,832	1,954	1,975	1,971	1,891	2,063	1,759
Statistics (in dollars per dmt sold)								
Gross average realized selling price[1]	207.1	195.0	218.8	279.7	220.0	194.8	162.8	149.2
Net average realized selling price[1]	175.3	138.1	169.4	276.2	201.3	174.2	150.7	139.1
Total cash cost (C1 cash cost)[1]	60.0	59.5	56.2	60.1	54.4	56.2	48.5	58.4
All-in sustaining cost[1]	70.5	76.0	73.6	72.6	65.1	64.8	57.2	64.8
Cash operating margin[1]	104.8	62.1	95.8	203.6	136.2	109.4	93.5	74.3
Statistics (in U.S. dollars per dmt sold)[2]								
Gross average realized selling price[1]	164.1	154.8	174.6	228.3	173.9	150.3	122.2	107.8
Net average realized selling price[1]	139.1	109.5	134.7	225.5	159.3	134.5	113.2	100.3
Total cash cost (C1 cash cost)[1]	47.4	47.2	44.6	48.9	43.0	43.1	36.4	42.2
All-in sustaining cost[1]	55.7	60.3	58.4	59.1	51.4	49.7	42.9	46.8
Cash operating margin[1]	83.4	49.2	76.3	166.4	107.9	84.6	70.1	53.5

1 This 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 20 - Non-IFRS and Other Financial Measures of this Directors' Report for definitions of these metrics and reconciliations to the most comparable IFRS measures when applicable.

2 See the Currency section of this Directors' Report included in section 8 - Key Drivers.

23. Nature of Securities

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

24. Additional Information

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

25. Qualified Person and Data Verification

Mr. Vincent Blanchet, P. Eng., Engineer at QIO, 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 Directors' Report 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 Phase II Feasibility Study. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

II. REMUNERATION REPORT

Unless otherwise noted, the following information is for the Company's last completed financial year which ended March 31, 2022 and, since the Company had one or more subsidiaries during that year, is disclosed on a consolidated basis. The information in this Remuneration Report has been audited pursuant to section 308 (3C) of the *Corporations Act 2001* (Cth) ("Corporations Act") of Australia. All monetary amounts are disclosed in Canadian dollars unless expressly stated otherwise.

Certain figures included in this Remuneration Report have been rounded for ease of presentation. Percentage and other figures included in this Remuneration Report have not in all cases been calculated on the basis of such rounded figures but on the basis of such figures prior to rounding. For this reason, percentage and other figures in this Remuneration Report may not sum due to rounding.

Key Management Personnel and Named Executive Officers

In compliance with Section 300A of the Corporations Act and National Instrument 51-102 - Continuous Disclosure Obligations, this Remuneration Report covers Key Management Personnel ("KMP") including Named Executive Officers ("NEO"), who were actively employed by the Company as at the end of the financial year (March 31, 2022).

KMP is defined as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of Champion". NEO of the Company means each of the following individuals:

a) the Chief Executive Officer ("CEO") of the Company or each individual who acted in a similar capacity for any part of the most recently completed financial year;

b) the Chief Financial Officer ("CFO") of the Company or each individual who acted in a similar capacity for any part of the most recently completed financial year;

c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with applicable law at the end of that financial year; and

d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

Key Management Personnel and Named Executive Officers (continued)

The following persons were the KMPs, and NEOs of the Company during the financial year ended March 31, 2022.

Name	Position	Appointment Date
David Cataford (NEO and KMP)[1]	CEO	April 1, 2019
Natacha Garoute (NEO and KMP)	CFO	August 13, 2018
Alexandre Belleau (NEO and KMP)	Chief Operating Officer	July 22, 2020
Steve Boucratie (NEO and KMP)[2]	Senior Vice-President, General Counsel and Corporate Secretary	September 9, 2021
Michael Marcotte (NEO and KMP)[3]	Senior Vice-President, Corporate Development and Capital Markets	September 9, 2021
Michael O'Keeffe (KMP)[4]	Executive Chairman	April 1, 2019
Andrew J. Love (KMP)	Non-Executive Director and Lead Director	April 9, 2014
Gary Lawler (KMP)	Non-Executive Director	April 9, 2014
Michelle Cormier (KMP)[5]	Non-Executive Director	April 11, 2016
Jyothish George (KMP)	Non-Executive Director	October 16, 2017
Louise Grondin (KMP)	Non-Executive Director	August 27, 2020
Wayne Wouters (KMP)	Non-Executive Director	November 1, 2016

Notes:

(1) Mr. Cataford was appointed Chief Executive Officer on April 1, 2019 and appointed to the Board of Directors on May 21, 2019. Prior to that, he had been Chief Operating Officer of the Company and an NEO since March 20, 2017.

(2) Mr. Boucratie was promoted to Senior Vice-President, General Counsel and Corporate Secretary on September 9, 2021. Prior to that, he had been Vice-President, General Counsel and Corporate Secretary of the Company and an NEO since May 20, 2019.

(3) Mr. Marcotte was promoted to Senior Vice-President, Corporate Development and Capital Markets of the Company on September 9, 2021. Prior to that, he had been Vice-President, Investor Relations of the Company since 2018.

(4) Mr. O'Keeffe was appointed Executive Chairman on August 13, 2013 and CEO on October 3, 2014. Mr. O'Keeffe stepped down as CEO on April 1, 2019 and continues in his role as Executive Chairman.

(5) Ms. Cormier was appointed to the Board in 2016 as a nominee of WC Strategic Opportunity, L.P. ("Wynnchurch") pursuant to certain board nomination rights granted by the Company in favour of Wynnchurch in connection with a private placement of ordinary shares completed on April 11, 2016. Following the disposition of ordinary shares by Wynnchurch that was publicly announced by Wynnchurch on August 2, 2021, Wynnchurch is no longer entitled to nominate a candidate for election or appointment to the Board such that Ms. Cormier is no longer considered to be a director nominee of Wynnchurch.

The term "executives" refers to the Company's NEOs and the members of the Company's senior management team from time to time.

A. Role of Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is to advise the Board on remuneration for senior executives and directors. As at March 31, 2022, the Remuneration and Nomination Committee was comprised of Gary Lawler (Chairman), Andrew J. Love and Michelle Cormier, each of whom is an independent director and has direct knowledge and experience that is relevant to his or her responsibilities in executive compensation as set out below. The Remuneration and Nomination Committee has access to independent experts to provide advice in the conduct of its duties. The Committee members are:

Gary Lawler (Chairman) - Mr. Lawler has over 40 years of experience as a practicing corporate lawyer and has been a partner in a number of leading Australian law firms. Mr. Lawler has been a director of, and involved in compensation matters for, numerous companies throughout the years.

Andrew J. Love - Mr. Love has more than 35 years of experience in corporate recovery and reconstruction in Australia. Mr. Love has been an independent company director of a number of listed companies over a 30-year period in the resources, financial services and property industries.

Michelle Cormier - Ms. Cormier is a CPA with over 30 years of experience in senior-level executive positions in management, including financial management, corporate finance, turnaround and strategic advisory situations and human resources. Ms. Cormier has a strong capital markets background, with significant experience in public companies listed in the United States and Canada.

A. Role of Remuneration and Nomination Committee (continued)

The Remuneration and Nomination Committee makes recommendations to the Board on the executive remuneration framework and the remuneration level of executives including all awards under the long-term incentive plan, and the short-term incentive award and remuneration levels for directors. The aim is to ensure that remuneration policies align with the long-term objectives of the Company, are fair and competitive and reflective of generally accepted market practices of its peers.

B. Remuneration Philosophy & Approach

The objective of Champion's executive remuneration program and strategy is to attract, retain and motivate talented executives and provide incentives for executives to create sustainable shareholder value over the long term, by driving a performance culture that is closely aligned to the achievement of the Company's strategy and business objectives. To achieve this objective, executive remuneration is designed and based on the following principles:

- **To align with Champion's business** - reflect the Company's strategic goals and performance as an iron ore exploration, development and, particularly, a production company. Accordingly, executive performance targets are directly aligned with activities that create long-term shareholder value by developing and operating iron ore assets efficiently and effectively to generate free cash flow from shareholder capital deployed and share appreciation in recognition of that investment, and by adopting and implementing sustainability practices for the benefit of the communities in which the Company operates, its workforce and its various stakeholders;
- **Pay competitively** - reflect each executive's performance, expertise, responsibilities and length of service to the Company and to set overall target remuneration to ensure it remains competitive and reflective of generally accepted market practices of the Company's peers and the markets in which it employs people. Although the Company is incorporated under the Corporations Act, almost all of the Company's employees are located in the Province of Québec, Canada, such that the Company's executive remuneration program and strategy is intended to remain competitive within that market;
- **Pay for performance** - align with Champion's desire to create a performance culture and create direct tangible relationships between pay and performance. Champion does not "pay for failure" nor does it incentivize undue risk taking to achieve performance objectives;
- **To align with Shareholder interests** – align the interests of executives with those of the shareholders of the Company (the "Shareholders") through a compensation structure where the majority of an executive's compensation is "at risk", as short-term incentive (bonus) and long-term incentive remuneration are tied directly or indirectly to Company performance and relative and/or absolute shareholder returns. Specifically, the use of awards which increase in value when the Company's share price performance exceeds that of its peers and reduces in value when it trails the performance of its peers. In addition to financial alignment, Champion believes in the importance of aligning executive interests with Shareholders' Environmental, Social and Governance ("ESG") expectations. Consistent with our commitment to sustainable development, the compensation plan incorporates operational performance with 25% of total bonus awards under the short-term incentive plan tied to sustainability targets designed to protect the safety, health and well-being of employees, stakeholders and the environment; and
- **Corporate governance** - continually review and, as appropriate for Champion, adopt executive remuneration practices that align with current market practices in the North American mining industry and the competitive landscape, and provide Shareholders with robust disclosure to enable them to fully evaluate compensation practices.

The Remuneration and Nomination Committee has implemented a compensation regime that is structured to reflect the above objectives. Executive remuneration consists of a combination of salary, annual performance bonus awards or short-term incentives and longer-term equity-based incentives. A foundation principle of the Company's remuneration philosophy is the promotion of a strong "performance culture" within senior management. The Company's Remuneration Reports over the last five years have received strong support from Shareholders at the 2017-2021 Annual General Meetings, with a five-year average of almost 90% of votes cast in favour of the respective Remuneration Reports.

The Board recognizes the importance of engaging in constructive communications with the Company's Shareholders and values their input and insights. During the financial year ended March 31, 2022, enhancing shareholder engagement was a key priority of the Company. Towards this end, the Board reviewed the reports of proxy advisors and coordinated engagement with major Shareholders in relation to the affairs of the Company. The Company engaged with certain of its investors, which involved meetings and exchanges with Shareholders to ensure feedback was solicited and received on compensation, governance, and other matters.

B. Remuneration Philosophy & Approach (continued)

In determining the level of annual performance bonus awards, the Remuneration and Nomination Committee takes into account overall corporate performance against predetermined performance objectives and metrics. In setting equity-based incentive awards, the Remuneration and Nomination Committee establishes time-based and performance-based vesting criteria in line with retention and reward objectives. If it is deemed appropriate, the Remuneration and Nomination Committee has the authority to seek advice from outside consultants. A more detailed explanation of the various components of executive remuneration can be found at paragraph "Elements of Executive Remuneration" below.

Based on these assessments and within the context of pay for performance principles, the Remuneration and Nomination Committee makes its recommendations to the Board for approval. These recommendations may reflect factors and considerations other than those indicated by market data or provided by advisors, including a consideration of prevailing economic conditions - both on a corporate level and on national and international levels, industry norms for such awards and other elements of executive compensation.

The Remuneration and Nomination Committee and the Board as a whole have discretion to reward above the noted plan parameters when an individual or team has made an exceptional contribution to the performance of the Company. Compensation is about incentivizing the right behaviour and Champion does not want to cap the incentive to outperform.

The Remuneration and Nomination Committee has considered the implications of the risks associated with the Company's remuneration program by structuring executive remuneration in which a significant portion of overall remuneration is subject to the achievement of certain milestones, including: (i) criteria relating to annual performance, in the case of bonus payments, (ii) vesting periods for restricted share units ("RSUs"), which vest over three years, (iii) the achievement of performance criteria over a period of three years or the achievement of key milestones to successful completion of Phase II (as defined below), as applicable, for performance share units ("PSUs") under the Company's LTIP (as defined below).

The Remuneration and Nomination Committee evaluates all executive compensation policies and programs with a view to confirming that the policies and programs do not drive behaviours that would result in inappropriate or excessive risk taking, and that the Company's compensation policies and practices do not result in identified risks that are likely to have a material effect on the Company. This evaluation process focuses on, among other things, strategic and operational risks; compliance risk; reputational risk; and financial and economic risks. Risks are assessed and considered on both an individual element basis and in totality.

Policies of the Company include certain prohibitions which prevent KMPs from engaging in short-term dealings or short selling or margin lending or other secured financing arrangements in respect of the Company's securities without the prior approval of the Senior Vice-President, General Counsel and Corporate Secretary and the Executive Chairman. KMPs are prohibited from engaging in derivatives in respect of ordinary shares of the Company (such as put and call options), or any other hedging or equity monetization transaction in which the individual's economic interest and risk exposure in ordinary shares is changed (such as collars or forward sales contracts).

The Board will continue to review executive remuneration to ensure that it continues to align with the Company's strategy, motivate management, reflect market practices in the North American mining industry and support the delivery of sustainable long-term returns to shareholders. As part of the review process, the Board will continue to engage with major Shareholders, and receive advice from independent experts.

C. External Advice

Until December 2021, the Board had hired Mercer Canada Limited ("Mercer") to provide independent, third-party analysis and advice on the remuneration levels and practices for the Company's executive team as well as the remuneration for the Board of Directors. After having completed a comprehensive search, the Committee retained Meridian Compensation Partners LLC ("Meridian") to assist in such matters, effective as of December 2021. Mercer provided advice and recommendations on the remuneration program for KMPs during each of the financial years ended March 31, 2022 and 2021, and Meridian started providing advice and recommendations on the remuneration program for KMPs during the financial year ended March 31, 2022. In addition, since the 2021 financial year, Compensation Governance Partners Inc. ("CGP") has been providing compensation advice to the Company, including by assisting the Board in establishing vesting criteria tied to the achievement of milestones to the successful completion of Phase II for a portion of the PSUs granted under the LTIP. The Remuneration and Nomination Committee exercises oversight over the retention of and interaction with remuneration consultants to ensure that remuneration recommendations are made free from undue influence by the KMPs to whom they relate.

C. External Advice (continued)

The table below provides an overview of the total fees paid to Mercer, Meridian and CGP for services rendered during the financial years ended March 31, 2022 and 2021.

(in Canadian dollars)		2022		2021
Mercer				
Fees for services related to executive team and Board of Directors compensation	$	48,500	$	39,000
All other fees[1]	$	39,518	$	19,036
Total	$	88,018	$	58,036
Meridian				
Fees for services related to executive team and Board of Directors compensation	$	115,918	$	—
All other fees	$	—	$	—
Total	$	115,918	$	—
CGP				
Fees for services related to executive team and Board of Directors compensation	$	47,196	$	—
All other fees	$	—	$	—
Total	$	47,196	$	—

Note:
(1) Mercer received advisory fees for other services of $39,518 during the year ended March 31, 2022 (including providing advice as to salaries of employees other than the executive team) and $19,036 during the year ended March 31, 2021 (including providing advice as to salaries of employees other than the executive team).

D. Compensation Peer Group Selection and Benchmarking

When developing and implementing compensation packages for KMPs, it is standard practice to benchmark total compensation for KMPs against a group of companies at similar stages of development, operations, regional geography and of similar size in terms of market capitalization and revenue (peer group).

In order to implement market-competitive compensation arrangements for Champion's executive team, the Company's independent directors, and the Remuneration and Nomination Committee identified a peer group of mining companies with similar operations in consultation with Mercer. The Remuneration and Nomination Committee has approved the following compensation peer group for the financial year ended March 31, 2022 that includes 13 similarly-sized publicly-traded mining peers that are generally within 0.5x to 2x of Champion's market capitalization and/or total revenues:

Alamos Gold - Centerra Gold - Pretium Resources - SSR Mining - Wesdome Gold Mines - New Gold - Capstone Mining Corp. - Yamana Gold Inc. - IAMGOLD Corp. - HudBay Minerals Inc. - Eldorado Gold Corp. - Equinox Gold Corp - Torex Gold Resources Inc.

In order to benchmark relative total shareholder return for purposes of performance share units grants, the Company's independent directors and the Remuneration and Nomination Committee also identified a second peer group of mining companies further described under the heading "Long-Term Incentives – Equity Incentives - 2022 RSU and PSU Grant".

E. Key Achievements of the Named Executive Officers in the Financial Year Ended March 31, 2022

Champion became a producing company in the 2018 calendar year and, further to achieving this milestone, delivered significant increases in market capitalization and cash flow production for Shareholders, while ensuring integration of the Company's sustainability principles in its day-to-day operations and decision-making and continuing to manage its environmental, social and governance responsibilities. During the financial year ended March 31, 2022, management of the Company continued to coordinate the determination and implementation of the Company's long-term strategy, including the ongoing construction to complete the Bloom Lake Phase II expansion project ("Phase II"). In late April 2022, Phase II commissioning was achieved ahead of schedule, despite pandemic-related challenges, positioning the Company to ramp up towards commercial production by the end of calendar 2022. In addition, on May 3, 2022, the Company announced the completion of the first rail shipments containing 24,304 wmt of high-grade 66.2% Fe iron ore concentrate from the Phase II project.

Key achievements of the management team during the year ended March 31, 2022 include:

- Annual production of 7,907,300 wet metric tonnes (wmt) of high-grade 66.2% Fe concentrate;
- Achieved revenues of $1,460.8 million, and increased annual Earnings before income and mining taxes, net finance costs and depreciation ("EBITDA")[1] by 13% compared to the prior year, achieving a record EBITDA[1] of $925.8 million for the year;
- Ongoing feasibility study evaluating the reprocessing and infrastructure required to commercially produce a 69% Fe Direct Reduction pellet feed product;
- Several project milestones for Phase II were achieved and related works undertaken during the financial year ended March 31, 2022, which resulted in Phase II commissioning being achieved ahead of schedule in late April 2022, despite pandemic-related challenges;
- Annual employee recordable injury frequency rate of 2.98, which is in line with Québec's open-pit industry performance;
- Successful operation of COVID-19 testing laboratory and maintenance of preventive measures in line with the Government of Québec directives to mitigate risks related to COVID-19 and limit the spread of variants;
- Completion of the acquisition of the Kamistiatusset project (the "Kami Project") located a few kilometres south-east of Bloom Lake, and commencement of the Kami Project's updated feasibility study;
- Completion of the acquisition of the Lac Lamêlée South Property and a 1.5% net smelter royalty interest on the Corporation's Moiré Lake property and the Corporation's Fermont property portfolio;
- Collaboration with Caterpillar Inc. and Toromont Cat to develop, test and implement advanced drilling technologies aimed at optimizing Bloom Lake's operational productivity and reducing energy consumption;
- Inaugural dividend of $0.10 per ordinary share paid on March 1, 2022, in connection with the semi-annual results for the period ended September 30, 2021, and an additional dividend of $0.10 per ordinary share declared by the Board of Directors in connection with the annual results for the period ended March 31, 2022;
- Full redemption of the $185 million balance of preferred shares in the capital of the Company's subsidiary which were held by Caisse de dépôt et placement du Québec. The redemption terminated preferred share dividend payments and reduced the overall cost of capital;
- Execution of an agreement for a freight contract signed for one vessel per month, from August 2021 to December 2022, which helped reduce the Company's freight premium volatility;
- New 3-year collective agreement reached on June 23, 2021, maintaining the Company's strong partnership with its workers;
- Advancement of the Company's Research and Development program which aims to develop technologies and products to support the steelmaking transition from the BF-BOF method to the DRI-EAF method, while supporting emissions reduction in the BF-BOF process; and
- Organization of workshops aimed at familiarizing the Company's employees with the Innu culture; contribution to the commemoration activities that took place in the Uashat mak Mani-utenam community for the inaugural National Day for Truth and Reconciliation on September 30, 2021; launch of a women's mentoring program dedicated to improve the integration and recruitment of more women into the Company's workforce.

[1] Non-IFRS financial measure or ratio with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P - Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

F. Remuneration of Executive Chairman

Mr. O'Keeffe was Chairman and CEO of the Board for the period of August 13, 2013 to March 31, 2019. On April 1, 2019, as part of the implementation of Champion's succession plan, Mr. O'Keeffe stepped down as CEO and was named Executive Chairman of the Board of Directors. In view of his ongoing contribution to the affairs of the Company as well as the responsibilities and duties performed, Mr. O'Keeffe remained a member of the executive team for the financial year ended March 31, 2022. Mr. O'Keeffe is paid an annual base salary in the amount of $550,000 but is not eligible to receive annual short and long-term incentives in the form of annual bonus or equity-based compensation. In addition, for the financial year ended March 31, 2022, Mr. O'Keeffe received non-monetary compensation in the amount of $54,313 paid to a superannuation on behalf of the KMP.

G. Elements of Executive Remuneration

As is the prevailing practice in the mineral exploration and mining industry, remuneration of the NEOs is comprised of four components:

a) base salary (fixed);
b) short-term incentive ("STI") in the form of annual bonus awards (at-risk);
c) long-term incentive ("LTI") in the form of equity-based compensation (at-risk); and
d) personal benefits and perquisites (fixed).

The Remuneration and Nomination Committee determined the following elements to be key to executive compensation for the 2022 fiscal year.

H. 2022 Executive Performance Metrics and Incentives

Overall Company Strategic Objective:	• To maximize operational performance and continue its organic growth.
Key Deliverables:	The executive team needed to: • deliver operational performance while ensuring strict adherence to the Company's safety culture and the continuing integration of the Company's sustainability principles in its day-to-day operations and decision-making; and • pursue the Company's organic growth, including by continuing the construction of the Phase II expansion of the Bloom Lake Mine, its flagship asset.
Short-term Incentives: (Annual Bonus)	• The target bonus was set as a percentage of each NEO's base salary. The actual bonus was dependent on performance against agreed baseline benchmarking.
Long-term Incentives: (RSUs)	• The Company utilized time vesting RSU grants to incentivize and retain the executive team in accordance with Canadian practice for the compensation of executives of public companies.
Long-term Incentives: (PSUs)	• The Company utilized PSU grants, the vesting of which is based on the performance of the Company against a set of peer companies and/or the achievement of key milestones to successful completion of Phase II.

i) Base Salary

The Company provides executive officers with base salaries that represent a fixed element of compensation and their minimum compensation for services rendered or expected to be rendered. The base salary of executive officers depends on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness and the Company's existing financial resources. Base salaries are determined annually based on the Remuneration and Nomination Committee's recommendations to the Board. In making its recommendations, the Remuneration and Nomination Committee, with the assistance of third-party advisors, annually reviews the base salaries of the Company's executive officers against the base salaries of executive officers in comparable positions at public companies in our peer group of mining companies.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

i) Base Salary (continued)

2022 Base Salary

The NEO's base salaries are intended to be competitive with those paid in the North American mining industry and align with the Company's performance. There had been minimal salary increases in the years preceding the commencement of production by the Company. In the context of achieving initial production in the 2018 calendar year, commissioning of the Phase II expansion project in late April 2022, and delivering shareholder value throughout since the beginning of commercial production, it is crucial to reward and retain the executive team that delivered such shareholder value and that is tasked with the Phase II expansion of the Bloom Lake project. The CEO's base salary has increased by $150,000 in 2022. The compensation is generally aligned with the median of the comparator group.

The 2022 salary for each NEO is set out in a table under the heading "2022 Remuneration Awards for the Named Executive Officers".

ii) Short-Term Incentives (Annual Bonus)

Target bonus levels (as a percentage of salary) are established to achieve total cash compensation (salary + bonus) at the median of the market when performance is at target levels. In determining annual bonus awards, Champion aims to achieve certain strategic objectives and milestones, which are further described below. An annual target performance bonus award is set for each NEO. The actual performance bonus paid in any year will be based on the performance of the NEOs against pre-determined Key Performance Indicators ("KPIs"). KPIs will reflect key deliverables for a particular year.

The STI is an annual incentive plan designed to reward executives for meeting or exceeding financial and non-financial objectives over a one-year period. The STI has been designed to foster an organizational culture of collaboration, co-operation and mutual respect which supports the objective of a long-term outperformance in both the financial and non-financial areas of the business, mainly with annual measures linked to the business strategy, set at levels that are challenging, yet achievable.

2022 Bonus Awards

For 2022, the Board set a target bonus for each NEO as follows, based on Mercer's recommendation:

NEO	Target Bonus (% Salary)
David Cataford	125%
Natacha Garoute	90%
Alexandre Belleau	90%
Steve Boucratie	80%
Michael Marcotte	70%

Directors who are not NEOs have not received any bonus awards.

For the financial year ended March 31, 2022, the following financial and operating KPIs were established and evaluated:

- 45% of total bonus - Financial performance objectives set against the financial year ended March 31, 2022 budget:
    - EBITDA[1]: The EBITDA target was selected as it is a direct financial measurement of the Company's performance, providing a strong alignment to the interests of Shareholders. It provides a strong reflection of production delivery, operational efficiency and cost management.
    - Free cash flow ("FCF")[1]: FCF was selected as it is a highly relevant short- and long-term measure. It reflects cost and capital management and production efficiencies.
- 30% of total bonus: based on meeting the production volume during the financial year ending March 31, 2022 of 7,547,000 dmt at a total cash cost[1] per tonne sold of no more than $58.00/dmt. The Board selected production volume and production costs as key performance metrics given that high production volume and costs efficiency represent meaningful operating measures for an iron ore producer.
- 25% of total bonus: based on overall performance imperatives comprising sustainable development objectives, health and safety targets including no fatalities and minimal time lost due to injuries as well as no harmful event to the environment. Such performance criteria were selected to address the health and safety, sustainability and environmental goals of the Company, for the benefit of the local communities in which it operates.

[1] Non-IFRS financial measure or ratio with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P - Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

ii) Short-Term Incentives (Annual Bonus) (continued)

2022 Bonus Awards (continued)

The Board also determined that all objectives were subject to a gradation scale allowing them to be met either at 0% or anywhere from 50% to 150%. No amount of STI is payable in relation to a KPI unless the minimum performance level for that KPI is met. As a result of the application of the gradation scale (0% to 150%) to the target bonus (as a % of salary), the total annual bonus payable to the NEOs is capped at 187.5% of base salary for the CEO, 135% of base salary for the CFO and Chief Operating Officer and 120% of base salary for each of the Senior Vice-President, General Counsel and Corporate Secretary, and Senior Vice-President, Corporate Development and Capital Markets.

The Budget for 2022 was approved in March 2021 as part of the regular Board approval timetable. At such time, the iron ore price assumptions were set through a consensus of various market forecasts for the forthcoming year, plus a critical assessment and scenario analysis by management. Both the timeline and budget preparation approach were consistent with previous years, although the 2022 budget process was against a backdrop of significant uncertainty in the global economy due to the ongoing impacts of the COVID-19 pandemic. The 2022 targets for the STI program were approved by the Remuneration and Nomination Committee in April 2021.

As outlined below, the Company achieved EBITDA[1] of $925.8 million in the financial year ended March 31, 2022. The combination of focused production management to achieve increased throughput and overall production uplift, prudent cost control and demand driven iron ore prices, all contributed to EBITDA[1] and FCF[1] outperformance against rigorously set targets.

The following 2022 bonus score card table outlines the weighting, performance objectives, actual results and payout factor for the bonus awards for the year ended March 31, 2022.

KPIs	Weighting	Minimum Threshold (50% Performance Level)	Target (100% Performance Level)	Stretch (150% Performance Level)	Actual Results		Payout Factor
EBITDA[1]	25%	$ 455,000,000	$ 568,000,000	$ 665,000,000	$ 925,817,000	1	150%
FCF[1]	20%	$ 134,000,000	$ 143,000,000	$ 149,000,000	$ 303,824,000	1	150%
Production (dry metric tonnes)	15%	7,317,000	7,547,000	7,663,000	7,675,614		150%
Total Cash Cost[1] ($ per tonne)	15%	61.00	58.00	55.00	58.93	1	84.5 %
Meet Sustainable Development Objectives[2]	10%	2 objectives	3 objectives	5 objectives	5 objectives		150 %
Incident Frequency (QIO)	7.5%	3.25	2.50	2.13	2.98		68 %
Incident Frequency (Contractor)	7.5%	4.00	3.00	2.50	6.27		— %
					Total 2022 Bonus Payout Factor		122.8 %

[1] Non-IFRS financial measure or ratio with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P - Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.
[2] Sustainable development objectives include a total of five objectives which relate to (i) the implementation of a grievance mechanism specific to host communities; (ii) the development of a method to assess the openness to diversity of candidates in order to promote the inclusion and integration of diversity within the organization; (iii) the implementation of a special employee wellness program in the context of the COVID-19 pandemic; (iv) the implementation of a program aiming at including actions and process controls related to energy use and greenhouse gas emissions in management systems for material sources; and (v) the implementation of a project to help a species of special concern in Canada in collaboration with First Nations and the government.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

ii) Short-Term Incentives (Annual Bonus) (continued)

2022 Bonus Awards (continued)

The following table sets out the tabulations for 2022 NEO bonus awards:

NEO	Target Bonus (% Salary)	Weighted Score	Actual Bonus (% Salary)	Annual Bonus ($)
David Cataford	125 %	122.8 %	153 %	1,381,219
Natacha Garoute	90 %	122.8 %	110 %	552,488
Alexandre Belleau	90 %	122.8 %	110 %	552,488
Steve Boucratie	80 %	122.8 %	98 %	471,456
Michael Marcotte	70 %	122.8 %	86 %	326,582

Non-Executive Directors are not eligible to receive any bonus awards, and directors who are not NEOs have not received any bonus awards.

iii) Long-Term Incentive - Equity-Based Incentives

Equity-based incentives are a particularly important component of compensation in the mining industry given the long lifecycle of mining and are a critical component of the Company's remuneration philosophy. These plans are designed to align the interests of the NEOs and other participating employees with the interests of Shareholders by linking a component of compensation to the long-term performance of the ordinary shares of the Company (the "Shares") through "at risk" pay. Awards under these arrangements for the NEOs are structured to create total direct compensation (i.e., the combination of salary + bonus + equity-based incentives) at median market positioning, or above median when performance warrants.

The tables under the section "2022 RSU and PSU ("2022 LTI") Grant" sets out the tabulation for the 2022 NEO LTIP awards.

2018 Omnibus Plan

The 2018 Omnibus Incentive Plan (the "LTIP" or "Omnibus Incentive Plan") provides flexibility to the Company to grant, in addition to stock options, deferred share units ("DSUs"), PSUs, RSUs, and other forms of equity-based incentive awards. Following the initial approval of the LTIP by the Shareholders at the 2018 annual and special meeting, all grants of equity-based awards are made pursuant to, or as otherwise permitted by, the LTIP. The LTIP was re-approved by the Shareholders at the 2021 annual meeting.

The purpose of the LTIP is to provide eligible persons with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to Shareholders. The LTIP assists the Company in attracting and retaining skilled and experienced employees and aligns their incentives with the longer-term goals of the Company.

Stock Options

At the discretion of the Board, options may be granted under the LTIP to NEOs taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive market factors. The Board has the ability to establish the expiry date for each stock option, provided that in no event will the expiry date be later than the date which is ten years following the grant date. Typically, stock options granted by the Board vest one third (1/3) on each of the grant date and 12 and 24-month anniversaries of grant and are issued with a three-year or four-year term before expiring.

No stock options were granted to NEOs during the year ended March 31, 2022.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

iii) Long-Term Incentive - Equity-Based Incentives (continued)

2018 Omnibus Plan (continued)

Stock Options (continued)

The following table provides the annual burn rate associated with the LTIP for each of the Company's three most recent financial years (2022, 2021 and 2020):

Equity Compensation Plan	Fiscal Year	Number of Securities Granted under the Plan[1]	Weighted Average Number of Securities Outstanding[2]	Annual Burn Rate[3]
LTIP[4]	2022	2,038,744	507,591,000	0.40%
	2021	2,906,499	478,639,000	0.61%
	2020	1,833,455	441,620,000	0.42%

Notes:

(1) Corresponds to the number of dilutive securities granted under the LTIP in the applicable financial year.

(2) The weighted average number of securities outstanding during the period corresponds to the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued during the period multiplied by a time-weighting factor.

(3) The annual burn rate percent corresponds to the number of dilutive securities granted under the LTIP divided by the weighted average number of securities outstanding.

(4) The LTIP came into effect on August 17, 2018.

Types of Awards under the Omnibus Incentive Plan

The following types of awards may be made under the Omnibus Incentive Plan: stock options, RSUs, PSUs, DSUs, or other share-based awards (collectively, the "Awards"). All of the Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting and forfeiture provisions determined by the Board in its sole discretion, and subject to such limitations provided in the Omnibus Incentive Plan, and will be evidenced by an award agreement. In addition, subject to the limitations provided in the Omnibus Incentive Plan and in accordance with applicable law, the Board may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards, and waive any condition imposed with respect to Awards or Shares issued pursuant to Awards.

Stock Options

A stock option is a right to purchase Shares upon the payment of a specified exercise price as determined by the Board at the time the stock option is granted. The exercise price shall not be less than the "Market Price" of a Share at the time the option is issued, determined as the volume weighted average price on the ASX if the Eligible Person is resident in Australia and otherwise the volume weighted average trading price of the Shares on the TSX, calculated by dividing the total value by the total volume of securities traded during the period of 5 trading days immediately prior to the date of issue.

Stock options may be subject to vesting conditions as determined by the Board. The Board will establish the expiry date for each stock option, provided that in no event will the expiry date be later than the date which is ten years following the grant date. The exercise notice of such option must be accompanied by payment in full of the purchase price for the Shares subject to the options. No Shares will be issued upon the exercise of stock options in accordance with the terms of the grant until full payment for the shares has been received by the Company.

No stock options were granted during the year ended March 31, 2022.

H. 2022 Executive Performance Metrics and Incentives (continued)

iii) Long-Term Incentive - Equity-Based Incentives (continued)

Types of Awards under the Omnibus Incentive Plan (continued)

Restricted Share Units (RSUs)

A RSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Shares or cash based on the price of the Shares at some future date.

A RSU will be subject to time-based vesting conditions, timing of settlement and other terms and conditions, not inconsistent with the provisions of the Omnibus Incentive Plan, as the Board shall determine; provided that no RSU granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the RSU was granted. When cash dividends are paid by the Company on outstanding Shares, the Company credits additional dividend equivalent RSUs to the participant's account. Dividend equivalent RSUs are subject to the same terms and conditions as the RSUs and vest and are settled at the same time and in the same form as the RSUs to which such dividend equivalent RSUs relate. As is the case for RSUs granted under incentive plans of many TSX-listed issuers, including issuers in the North American mining industry, vesting of the RSUs is based on time-based vesting conditions rather than performance-based vesting conditions. The Company believes that the grant of time-based RSUs vesting equally over a three-year period is an effective means of retaining executives by providing compensation packages that remain competitive and reflective of generally accepted market practices of its peers and which rewards past performance against pre-established targets that contributes to the Company's annual profitability and growth, and tying executive remuneration to the long-term performance of the Company.

Performance Share Units (PSUs)

A PSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Shares, or cash based on the price of the Shares at some future date, subject to the achievement of performance goals established by the Board over a period of time or with respect to certain project-related specific milestones.

The Board has the authority to determine any vesting and settlement terms applicable to the grant of PSUs, provided that no PSU granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the PSU was granted. It is currently intended that PSUs granted under the Omnibus Incentive Plan will be subject to such performance-based vesting conditions as the Board shall determine from time to time designed to align the participant with the Company's corporate objectives. When cash dividends are paid by the Company on outstanding Shares, the Company credits additional dividend equivalent PSUs to the participant's account. Dividend equivalent PSUs are subject to the same terms and conditions as the PSUs and vest and are settled at the same time and in the same form as the PSUs to which such dividend equivalent PSUs relate.

All vesting conditions shall be such that the PSUs will comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of subsection 248(1) of the Income Tax Act (Canada) or any successor provision thereto.

The Company began granting PSUs under the Omnibus Incentive Plan during the year ended March 31, 2020. As of the end of the financial year ended March 31, 2022, the 3-year vesting period for PSUs granted under the Omnibus Incentive Plan had not been completed such that no payout had been made as of such date pursuant to PSUs granted under the Omnibus Incentive Plan. The PSUs granted during the year ended March 31, 2020 will vest, subject to the achievement of the applicable performance-based vesting conditions, during the financial year ending on March 31, 2023, and the payout thereunder will be disclosed in the Company's remuneration report for such year.

Deferred Share Units (DSUs)

A DSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive Shares or cash based on the price of the Shares on a future date, provided that in no event shall a DSU be settled prior to the applicable participant's date of termination of service to the Company. If DSUs are settled in Shares, the rules of the Omnibus Incentive Plan require that the Shares be purchased on-market.

DSUs will only be issued to directors of the Company or any of its affiliates who are not employees (the "Directors"). Subject to certain limitations, any Director may, on an annual basis, elect to receive DSUs in lieu of such Director's annual fees or in lieu of a portion of such Director's annual fees by giving written notice of such election to the Board. When cash dividends are paid by the Company on outstanding Shares, the Company credits additional dividend equivalent DSUs to the participant's account. Dividend equivalent DSUs are subject to the same terms and conditions as the DSUs and vest and are settled at the same time and in the same form as the DSUs to which such dividend equivalent DSUs relate.

H. 2022 Executive Performance Metrics and Incentives (continued)

iii) Long-Term Incentive - Equity-Based Incentives (continued)

Type of Awards under the Omnibus Incentive Plan (continued)

Other Share-Based Awards

The Board may grant to an Eligible Person, subject to the terms of the Omnibus Incentive Plan, such awards, other than those described above, that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Ordinary Shares (including, without limitation, securities convertible into Shares), as are deemed by the Board to be consistent with the purpose of the LTIP.

The Board deems equity awards as a valuable retention and incentive mechanism for senior management. Retention of executives and highly skilled staff continues to be a high priority for the Company for the following reasons:

- The market for executives with experience in development of mining assets, mining operations in the Province of Québec and public company experience is very competitive;
- It requires a significant amount of lead time for executives to become totally familiar with the Company's operations and assets; and
- If there is an interruption to production for any number of reasons, the Company needs to be able to restart production as soon as reasonably and safely possible. The necessary skills that have been developed internally to deal with these challenges cannot be procured easily outside the Company.

2022 RSU and PSU ("2022 LTI") Grant

This year, in light of the importance of the Phase II expansion, which aims to double the nameplate capacity of Bloom Lake and which will have a direct impact on shareholder returns for a number of subsequent years, the Board determined that vesting of a portion of the awards granted under the LTIP would be aligned with the achievement of key milestones to successful completion of the Phase II project, while the vesting of the other awards granted under the LTIP would be over a period of three years and take into consideration annual performance for the financial year ended March 31, 2022 consistent with awards granted for prior years.

The Board believes that these performance criteria provide the most suitable link to long-term shareholder value creation. Specifically, the criteria encourage executives to focus on the key performance drivers which underpin the Company's strategy as well as on completion of Phase II on time and on budget, in each case with a view to deliver long-term growth in shareholder value. The potential "maximum" earning opportunity is not expected to be achieved each year, but is designed to only be achieved in respect of exceptional performance or circumstances.

The value of the long-term incentive plan and related grants are reported in a table below under the heading "Summary Compensation Table", irrespective of whether the performance criteria for vesting had been achieved during such period. The portion of any such long-term incentive awards that vested during any year is shown in the table presented in the section "Incentive Plan Awards - Value Vested or Earned During the Year".

RSUs and PSUs which Take into Consideration Annual Performance for the Financial Year Ended March 31, 2022

The grants of RSU and PSU awards which take into consideration annual performance for the financial year ended March 31, 2022, will be made in the 2023 financial year, following the publication of the annual financial results. For 2022, the Board set a target for the long-term incentive for each NEO as follows, based on Mercer's recommendation. The number of PSUs or RSUs that is granted is determined according to the volume weighted average price ("VWAP") per Share on the TSX during the period of five trading days immediately prior to the date of grant.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

iii) Long-Term Incentive - Equity-Based Incentives (continued)

Types of Awards under the Omnibus Incentive Plan (continued)

2022 RSU and PSU ("2022 LTI") Grant (continued)

RSUs and PSUs which Take into Consideration Annual Performance for the Financial Year Ended March 31, 2022 (continued)

NEO	LTIP Target (% salary)	Value of Annual Equity Awards ($)	RSU ($)	PSU ($)
David Cataford	225 %	2,025,000	810,000	1,215,000
Natacha Garoute	130 %	650,000	260,000	390,000
Alexandre Belleau	130 %	650,000	260,000	390,000
Steve Boucratie	120 %	576,000	230,400	345,600
Michael Marcotte	120 %	456,000	182,400	273,600

None of the directors who are not NEOs received any grants of RSUs or PSUs in the financial year ended March 31, 2022.

The 2022 LTI grant with respect to RSUs and PSUs which take into consideration annual performance for the financial year ended March 31, 2022 consisted of the following components:

- RSU Grant (40% of LTI): vesting equally over a three-year period and subject to no performance hurdles; and
- PSU Grant (60% of LTI): measured against certain performance conditions over the three years following the date of grant and which vest at the end of that three-year period subject to the key performance measures having been met.

The Board has established the following key performance measures for the PSUs:

- 40% of the grant based on the performance of the Company's Share price (or total shareholder return ("TSR")) relative to a peer group, between the date of grant and March 31, 2025. The 175% of the TSR portion of the PSU's grant will vest if the Company's TSR reaches the 75% percentile of the peer group, 100% of the TSR portion of the PSUs grant will vest if the Company's TSR is at the 50% percentile of the peer group and 50% of the TSR portion of the PSUs grant will vest if the Company's TSR is at the 37.5% percentile of the peer group. Proportional vesting will occur between the 25% and 75% percentiles. No vesting will occur if Champion's TSR is less than the 25% percentile of the peer group. This approach as to vesting relative to the peer group is customary in the North American mining industry and is taken into account by the Board when determining the overall compensation of NEOs, and the Board believes this approach is appropriate to ensure executive compensation remains competitive and reflective of generally accepted market practices of the Company's peers.

  Relative TSR provides a relative, external market performance measure having regard to a peer group of companies with which the Company competes for capital, customers and talent. The use of relative TSR ensures that executives are motivated to deliver returns that are superior to what a shareholder could achieve in the broader market and ensures senior management maintain a strong focus on shareholder outcomes. In order to benchmark relative TSR for purposes of the grants of PSUs made during the financial year ended March 31, 2022, the Company's independent directors and the Remuneration and Nomination Committee, in consultation with Mercer, identified a peer group of mining companies with generally similar stage of development operations, annual revenues and market capitalization. The group has been designed to include (i) internationally listed companies that are involved in the same commodity, and (ii) companies that are involved in metallurgical coal, or companies having thermal coal exposure, given its correlation to iron ore (since both are used in the steelmaking process).

Arch Resources, Inc. (NYSE)	Lundin Mining Corporation (TSX)
Cleveland-Cliffs Inc. (NYSE)	Mount Gibson Iron Limited (ASX)
Ero Copper Corp. (TSX)	New Hope Corporation Limited (ASX)
Ferrexpo Plc (LSE)	Turquoise Hill Resources Ltd. (TSX)
Grange Resources Limited (ASX)	Warrior Met Coal, Inc. (NYSE)
Hudbay Minerals Inc. (TSX)	Whitehaven Coal Limited (ASX)
Labrador Iron Ore Royalty Corporation (TSX)	

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

iii) Long-Term Incentive - Equity-Based Incentives (continued)

Types of Awards under the Omnibus Incentive Plan (continued)

2022 RSU and PSU ("2022 LTI") Grant (continued)

RSUs and PSUs which Take into Consideration Annual Performance for the Financial Year Ended March 31, 2022 (continued)

- 60% of the grant based on an actual ratio of cash flow return on capital employed ("ROCE")[1] compared to a target ratio set by the Company. The actual ratio is measured over a three-year period by dividing (i) average EBITDA[1] for each year in the three-year period by (ii) average capital employed (long-term debt plus Champion's consolidated total equity, including options and warrants) for each year in the three-year period. While the disclosure in the Company's remuneration report has been enhanced and supplemented over recent years to provide additional information on the computation and target ratio, the method of calculation of the actual ratio used by the Company has remained consistent since the initial grants of PSUs under its LTIP.

  If the actual ratio represents more than 120% of the corresponding target ratio based on the Company's budget for the three-year reference period (which was set at 0.46 for the financial year ended March 31, 2022), 175% of that portion of the PSUs grant will vest at the end of the three-year period. If the actual ratio equals the corresponding target ratio based on the Company's budget for the three-year reference period, 100% of that portion of the PSUs grant will vest at the end of the reference period. If the actual ratio is less than the target ratio based on the Company's budget for the three-year reference period, a reduced percentage of this portion of the PSUs grant will vest. Proportional vesting will occur if the actual ratio represents between 70% to 100% of the target ratio. No vesting will occur if the actual ratio is less than 70% of the target ratio based on the Company's budget for the three-year reference period. The Board believes that the use of ROCE as a performance measure allows to link executive pay to capital allocation discipline and therefore further aligns executives' interests with shareholder interests.

  The following table outlines the payout percentages associated to the specific ranges of actual ratio of ROCE[1], for the financial year ended March 31, 2022:

2022 Objectives - ROCE	Vesting of 60% Portion of PSU Grants
0.55 and above	175%
0.46	100%
0.32	75%
Less than 0.27	Nil

The Board believes that the performance criteria for PSU grants which vest over the three years under the LTI and the milestones used to determine vesting of the PSUs, provide the most suitable link to long-term shareholder value creation. Specifically, the performance criteria for PSU grants which vest over the three years encourages executives to focus on the key performance drivers which underpin the Company's strategy to deliver long-term growth in shareholder value. Generally, the potential "maximum" earning opportunity is not expected to be achieved each year, but is designed to only be achieved in respect of exceptional performance or circumstances. The value of the long-term incentive plan and related grants are reported in a table below under the heading "Summary Compensation Table", irrespective of whether the performance criteria for vesting had been achieved during such period. The portion of any such long-term incentive awards that vested during any year is shown in the table presented in the section "Incentive Plan Awards - Value Vested or Earned During the Year".

[1] Non-IFRS financial measure or ratio with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P - Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

iii) Long-Term Incentive - Equity-Based Incentives (continued)

Type of Awards under the Omnibus Incentive Plan (continued)

2022 RSU and PSU ("2022 LTI") Grant (continued)

PSUs with Vesting Aligned with the Achievement of Key Milestones Related to Successful Completion of Phase II

The PSU grants, for which vesting is aligned with the achievement of key milestones related to the successful completion of the Phase II project, will vest on certain dates based on the achievement of each milestone and be payable within ten (10) business days following vesting. Vested PSUs will be settled as to two thirds in Shares and as to one third in cash. Performance in between the minimum (50%), target (100%) and maximum (160%) thresholds will be determined on a pro rata (linear) basis. The Board set these targets based on the CGP's recommendation. The number of PSUs granted was determined by dividing their aggregate value by the VWAP per Share on the TSX during the period of five trading days immediately prior to the date of grant.

NEO	Maximum Payout	Number of PSU Granted	Value of Equity Awards ($)
David Cataford	160 %	487,013	3,000,000
Natacha Garoute	160 %	162,338	1,000,000
Alexandre Belleau	160 %	162,338	1,000,000
Steve Boucratie	160 %	162,338	1,000,000
Michael Marcotte	160 %	81,169	500,000

The Board has established the following key performance measures for the PSUs:

- 28% of the grant is based on criteria related to the completion of construction of Phase II and the final costs of construction ("Construction") based on the construction budget (the "Budget"). These PSUs will vest at target if Construction is completed on or before the applicable target date (the "Construction Target Date") and on Budget, with the possibility of a 160% payout multiplier if Construction is completed on or before the date that is three months before the Construction Target Date. Only 50% of the PSUs will vest if Construction is completed on the date that is three months after the Construction Target Date and on Budget. If Construction is completed at a cost above Budget by no more than a predetermined threshold, the number of PSUs that will vest will be reduced by 20%. No vesting of these PSUs will occur if Construction is not completed by the date that is three months after the Construction Target Date or if Construction is completed for a cost above Budget by more than the predetermined threshold.
- 12% of the grant is based on criteria related to the number of incidents of "Lost Time Injury" occurring per 200,000 hours during Construction, with no PSUs vesting if an incident of death or mutilation or if more than 7 incidents of "Lost Time Injury" per 200,000 hours occur during Construction.
- 40% of the grant is based on criteria related to achievement of commercial production of Phase II. These PSUs will vest at target if commercial production is achieved on the applicable target date (the "Commercial Production Target Date"), with the possibility of a 160% payout multiplier if commercial production is achieved on or before the date that is three months before the Commercial Production Target Date. Only 50% of the PSUs will vest if commercial production is achieved on the date that is three months after the Commercial Production Target Date. No vesting of these PSUs will occur if commercial production is not achieved by the date that is three months after the Commercial Production Target Date.
- 20% of the grant is based on criteria related to achievement of nameplate capacity of Phase II. These PSUs will vest at target if nameplate capacity is achieved on or before the applicable target date (the "Nameplate Capacity Target Date"), with the possibility of a 160% payout multiplier if nameplate capacity is achieved on or before the date that is three months before the Nameplate Capacity Target Date. Only 50% of the PSUs will vest if nameplate capacity is achieved on the date that is three months after the Nameplate Capacity Target Date. No vesting of these PSUs will occur if nameplate capacity is not achieved by the date that is three months after the Nameplate Capacity Target Date.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

iii) Long-Term Incentive - Equity-Based Incentives (continued)

Types of Awards under the Omnibus Incentive Plan (continued)

2022 RSU and PSU ("2022 LTI") Grant (continued)

PSUs with Vesting Aligned with the Achievement of Key Milestones Related to Successful Completion of Phase II (continued)

The Board believes those vesting criteria properly incentivize management to ensure that Phase II be completed on or ahead of schedule and on Budget, which would result in additional revenue to the Company such that NEOs' interests are aligned with those of the Company's shareholders. In particular, the Board believes that the construction, commercial production and nameplate capacity milestones represent the key milestones to successful completion of Phase II, and that having a portion of the PSUs vesting based on the incident frequency during construction is consistent with the Company's commitment to ensuring health and safety of employees, partners and local communities.

As of March 31, 2022, none of the foregoing milestones had been achieved and none of those PSUs were therefore vested.

NEO	Weighting	Minimum Threshold (50% Performance Level)	Target (100% Performance Level)	Stretch (160% Performance Level)
Construction Milestone[1]	28 %	3 months delayed	On target	3 months early
Incident Frequency during Construction (per 200,000 hours)	12 %	7 incidents[2]	5 incidents	3 incidents
Commercial Production Milestone	40 %	3 months delayed	On target	3 months early
Nameplate Capacity Milestone	20 %	3 months delayed	On target	3 months early

Notes:

(1) Completion of construction is achieved if the concentrator successfully demonstrates that 66% Fe concentrate can be produced. In addition to the payout targets set out in the table, vesting of such PSUs will vary based on the final costs of Construction compared to the construction Budget. If Construction is completed on Budget, the payout multipliers set out above will remain the same. If Construction is completed or for a cost above Budget by not more than 15%, 80% of the PSUs will vest upon completion of Construction, and if Construction is completed for a cost above Budget by more than 15%, none of such PSUs will vest.

(2) If an incident of death or mutilation occurs during Construction, none of such PSUs will vest.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

iv) Retirement Plan Contributions and Personal Benefits

Champion adopted two different pension plans for its employees, including the NEOs, effective as of April 1, 2017 as well as a non-registered savings plan. Personal group health and life insurance benefits provided to the NEOs are available to all permanent full-time employees of the Company. At the discretion of the Board and based on market-prevalent practices, other perquisites may be provided to NEOs in relation to the specific office held by each NEO.

Eligibility	Upon start of employment for all employees
Participation	Full-time employees: compulsory
Contributions	Employee: 3% of base salary Additional contributions permitted Employer: 6% of base salary and additional employee's contributions matched from 100% to 200% based on age plus years of service
Maximum Contributions	18% of base salary, up to a maximum of $27,830 for the calendar year 2021 within the pension fund or retirement and saving plan, excessed in non-registered savings plan
Vesting	Immediate
Transfers from Other Plans	Permitted

The following table lays out, for each NEO, the accumulated value at the start of the financial year, the compensatory value and the accumulated value at the end of the financial year ended March 31, 2022.

Name	Accumulated Value at Start of Year	Employer's Contribution	Employee's Contribution	Accumulated Value at Year-End
David Cataford	369,298	96,228	54,988	520,514
Natacha Garoute	179,985	54,389	31,080	265,454
Alexandre Belleau	196,656	53,344	30,482	280,482
Steve Boucratie	105,329	51,238	29,280	185,847
Michael Marcotte	89,647	34,990	23,326	147,963

Directors who are not NEOs are not eligible for, and have not received, any of the retirement plan contributions and personal benefits set out above during the financial year ended March 31, 2022.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

2022 Remuneration Awards for the Named Executive Officers

Annual base salary, bonus, PSU grants and RSU grants in relation to the 2022 financial year to the NEOs were as follows. In compliance with the Company share trading policy, the RSU and PSU with respect to the annual performance for the financial year ended March 31, 2022 will be granted in the 2023 financial year, after the publication of the annual financial results. In the 2022 financial year, in light of the importance of the Phase II expansion, which aims to double the nameplate capacity of Bloom Lake and which will have a direct impact on shareholder returns for a number of subsequent years, vesting of a portion of the PSUs granted under the LTIP is aligned with the achievement of key milestones to successful completion of the Phase II project. Those PSUs were granted in June 2021.

Name	Annual Base Salary ($)	Bonus ($)	Total RSU Grant ($)	Total PSU Grant ($)
David Cataford CEO	900,000	1,381,219	810,000	4,215,000
Natacha Garoute CFO	500,000	552,488	260,000	1,390,000
Alexandre Belleau Chief Operating Officer	500,000	552,488	260,000	1,390,000
Steve Boucratie Senior Vice-President, General Counsel and Corporate Secretary	480,000	471,456	230,400	1,345,600
Michael Marcotte Senior Vice-President, Corporate Development and Capital Markets	380,000	326,582	182,400	773,600

Further information pertaining to the NEO's remuneration for the past three fiscal years is found in the section, "Tabular Remuneration Disclosure for the Named Executive Officers - Summary Remuneration Table - Non-Statutory", below.

Tabular Remuneration Disclosure for the Named Executive Officers - *Summary Remuneration Table - Non-Statutory*

The following table discloses a summary of remuneration earned by each of Champion's NEOs for each of the three most recently completed financial years ended March 31, 2022, 2021 and 2020. As described in the footnotes to the summary remuneration table, amounts presented under the columns entitled Share-based Awards and Option-based Awards reflect the full fair values of the awards as measured at their respective grant dates. Accordingly, the amounts presented thereunder are not reflective of the related accounting expense for the period. Refer to Section K "Details of Total Statutory Remuneration for KMP (NEOs and Directors)" on page 97 of this Remuneration Report for the statutory remuneration table as calculated with reference to the Corporations Act.

When determining the grants of long-term equity awards made by the Company during each financial year ended March 31, the Board takes into consideration annual performance for the previous financial year. Accordingly, grants are typically made after the publication of the annual results for such financial year. For example, long-term incentive equity awards which are granted taking into consideration the annual performance for the financial year ended March 31, 2022 will be granted in the financial year ending March 31, 2023, after the publication of the annual financial results for the year ended March 31, 2022. The value of an incentive award is included below in the year during which the grant of the award was made. Further information pertaining to the NEOs' LTI remuneration for the 2022 financial year is presented in the section, "2022 Remuneration Awards for the Named Executive Officers", above.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

Tabular Remuneration Disclosure for the Named Executive Officers - *Summary Remuneration Table - Non-Statutory* (continued)

Name and Principal Position	Year	Salary ($)	Share-Based Awards[1] ($)	Option-Based Awards[2] ($)	Non-Equity incentive Plan Compensation: Annual Incentive Plans ($)	Non-Equity incentive Plan Compensation: Long-Term Incentive Plans ($)	Pension Value ($)	All Other Compensation ($)	Total ($)	At Risk (%)
David Cataford CEO	2022	900,000	4,500,000	—	1,381,219	—	96,228	42,400	6,919,847	85 %
	2021	750,000	900,000	645,000	1,262,573	—	80,850	40,380	3,678,803	76 %
	2020	600,000	500,000	—	753,399	—	65,098	43,528	1,962,025	64 %
Natacha Garoute[3] CFO	2022	500,000	1,516,000	—	552,488	—	54,389	29,840	2,652,717	78 %
	2021	430,000	400,000	645,000	452,422	—	47,250	28,045	2,002,717	75 %
	2020	400,000	733,295	192,092 (4)	375,000	—	44,317	32,032	1,776,736	73 %
Alexandre Belleau Chief Operating Officer	2022	500,000	1,516,000	—	552,488		53,344	17,585	2,639,417	78 %
	2021	430,000	236,250	645,000	452,422	—	45,237	7,454	1,816,363	73 %
	2020	319,730	182,001	124,000	328,381	—	31,553	6,647	992,312	64 %
Steve Boucratie Senior Vice-President, General Counsel and Corporate Secretary	2022	480,000	1,480,000	—	471,456	—	51,238	21,999	2,504,693	78 %
	2021	400,000	228,000	645,000	420,858	—	42,000	8,152	1,744,010	74 %
	2020	238,365 (5)	—	560,988 (5)	214,719	—	25,028	6,316	1,045,416	74 %
Michael Marcotte Senior Vice-President, Corporate Development and Capital Markets	2022	380,000	746,500	— (6)	326,582	—	34,990	21,630	1,509,702	71 %
	2021	290,000	164,500	645,000	203,435	—	26,100	8,047	1,337,082	76 %
	2020	239,113	164,500	—	151,967	—	21,519	6,973	584,072	54 %

Notes:

(1) Share-based awards consist of RSUs or PSUs which are subject to vesting criteria. The Share-based awards value is based on the fair market value of the stock price at the time of the grant. For the awards granted in the year ended March 31, 2022, the fair market value of the stock at the time of grant was at $6.16, and the amounts included in this column represent the value of the RSUs and PSUs granted in the year taking into consideration the annual performance for the year ended March 31, 2021 (which amounted to $1,500,000, $516,000, $516,000, $480,000 and $246,500 in the case of Mr. Cataford, Ms. Garoute, Mr. Belleau, Mr. Boucratie and Mr. Marcotte, respectively), and the value of the PSUs granted in the year, for which the vesting is aligned with the achievement of key milestones to successful completion of the Phase II project (which amounted to $3,000,000 in the case of Mr. Cataford, $1,000,000 in the case of each of Ms. Garoute, Mr. Belleau and Mr. Boucratie and $500,000 in the case of Mr. Marcotte). For the awards granted in the year ended March 31, 2020, taking into consideration the annual performance for the year ended March 31, 2019, the RSUs granted to Ms. Garoute in relation with her appointment as CFO was measured on a fair market value of the stock of $2.21 for a value amounting to $358,295. The remaining part ($375,000) relates to the 2019 grant. The RSUs and PSUs to be granted taking into consideration the annual performance for the financial year ended March 31, 2022 will be granted in the 2023 financial year, after the publication of the annual financial results, according to the VWAP per Share on the TSX during the period of five trading days immediately prior to grant.

(2) No stock options were granted to NEOs during the year ended March 31, 2022. Option-based awards represent the fair value of stock options granted or recognized in the year under the Company's LTIP. Grant date fair value calculations for option grants are based on the Black-Scholes Option Price Model which used the following assumptions determined on the date of grant:

Fiscal Year-End	Grant Date	Risk Free Interest Rate	Expected Average Life	Expected Volatility	Exercise Price ($)	Fair Value ($)
2021	February 5, 2021	0.39%	4 years	55%	5.00	2.15
2020	April 15, 2019	1.79%	3 years	86%	2.21	1.10
2020	May 20, 2019	1.79%	3 years	86%	2.53	1.56

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's option-based awards.

(3) On April 11, 2022, the Company announced that Ms. Garoute will be departing the Company following the 2022 fiscal year-end results. The Company is actively engaged in a search for her successor.

(4) Ms. Garoute was appointed CFO of Champion on August 13, 2018 and did not earn any remuneration from Champion prior to such date. Upon joining the Company, Ms. Garoute was awarded 200,932 stock options on September 14, 2018 for a fair value of $114,531 and 174,502 stock options on April 15, 2019 for a fair value of $192,092.

(5) Mr. Boucratie was promoted to Senior Vice-President, General Counsel and Corporate Secretary of the Company on September 9, 2021. Prior to that, Mr. Boucratie had been Vice-President, General Counsel and Corporate Secretary of the Company and an NEO since May 20, 2019. Mr. Boucratie did not earn any remuneration from the Company prior to May 20, 2019. Upon joining the Company, Mr. Boucratie was granted 360,000 stock options with a value of $560,988.

(6) Mr. Marcotte was promoted to Senior Vice-President, Corporate Development and Capital Markets of the Company on September 9, 2021. Prior to that, Mr. Marcotte was Vice-President, Investor Relations of the Company and earned remuneration from the Company in such role.

H. 2022 Executive Performance Metrics and Incentives (continued)

Tabular Remuneration Disclosure for the Named Executive Officers (continued)

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the outstanding option-based and share-based awards for NEOs as at March 31, 2022, the end of the Company's most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards[2]		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date (M/D/Y)	Value of Unexercised In-the-Money Options ($) [1]	Number of Shares or Units of Shares that Have not Vested (#)	Market or Payout Value of Share-Based Awards that Have not Vested ($)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($)
David Cataford CEO	300,000	5.00	February 5, 2025	648,000	1,256,796	8,998,657	828,153
Natacha Garoute CFO	300,000	5.00	February 5, 2025	648,000	531,931	3,808,627	506,606
Alexandre Belleau[3] Chief Operating Officer	300,000	5.00	February 5, 2025	648,000	400,255	2,865,827	256,750
Steve Boucratie[4] Senior Vice-President, General Counsel and Corporate Secretary	300,000	5.00	February 5, 2025	648,000	330,370	2,365,449	94,943
Michael Marcotte[5] Senior Vice-President, Corporate Development and Capital Markets	300,000	5.00	February 5, 2025	648,000	240,325	1,720,730	211,643

Notes:

(1) The value of unexercised in-the-money options noted above is based on the difference between the closing market price of the Company's Shares on the TSX of $7.16 on March 31, 2022, and the exercise price of the option.

(2) Share-based awards consist of RSUs and PSUs and are settled in Shares or cash in accordance with the Company's Omnibus Incentive Plan, and include RSUs and PSUs issued as dividend equivalents. RSUs vest over a specific period of time while PSUs vest over a predetermined period of time upon meeting predetermined performance criteria. For more information regarding RSU and PSU vesting, please see Omnibus Incentive Plan Awards. The market or payout value is based on the TSX market closing price of the Shares on March 31, 2022 being $7.16.

(3) Mr. Belleau joined the Company in 2016 and was appointed Chief Operating Officer of the Company on July 22, 2020.

(4) Mr. Boucratie was promoted to Senior Vice-President, General Counsel and Corporate Secretary on September 9, 2021. Prior to that, Mr. Boucratie had been Vice-President, General Counsel and Corporate Secretary of the Company since May 20, 2019.

(5) Mr. Marcotte was promoted to Vice-President, Corporate Development and Capital Markets of the Company on September 9, 2021. Prior to that, Mr. Marcotte was Vice-President, Investor Relations of the Company.

Omnibus Incentive Plan Awards - Value Vested or Earned During the Year

The following table discloses incentive plan awards, including annual incentive bonuses and contracted milestone bonuses, vested or awarded during the financial year ended March 31, 2022 (all dollar amounts in Canadian dollars):

Name	Value Vested During the Year ($)		Value Earned During the Year ($)
	Option-Based Awards	Share-Based Awards	Non-Equity Incentive Plan Compensation
David Cataford	115,000	524,920	1,381,219
Natacha Garoute	115,000	572,816	552,488
Alexandre Belleau	115,000	156,294	552,488
Steve Boucratie	586,600	80,893	471,456
Michael Marcotte	115,000	123,868	326,582

Note: Option-based awards value vested during the year is the difference between the market price of the underlying securities at vesting date and the exercise price of the options under the option-based award. Share-based award value vested during the year is calculated using the Company's share price on the vesting date. Share-based awards consisted of RSUs and PSUs, and include RSUs and PSUs issued as dividend equivalents.

H. 2022 Executive Performance Metrics and Incentives (continued)

Agreements with Named Executive Officers (NEOs)

The Company has written employment agreements with its NEOs. These contracts, which are governed by the laws of the Province of Québec, provide for the payment and provision of other benefits triggered by a termination without cause as described below. Employment laws applicable in the province of Québec require the Company to provide employees, in the case of termination other than for cause, reasonable notice or pay in lieu thereof, and such reasonable notice period which, in the case of the NEOs, would reasonably be expected to exceed 12 months in each case. The Board believes that providing such severance entitlements upon termination without cause is advisable in order to provide NEOs with severance entitlements that are reflective of generally accepted market practices of the Company's peers and that would not reasonably be expected to be below the minimum applicable notice period required under employment laws applicable in the province of Québec in light of the applicable case law. In addition, the employment agreement of each NEO provides for the acceleration of vesting (as if vesting occurred at 100%) of incentive awards in the event a change of control occurs during the term of their employment, as further described below.

David Cataford – Chief Executive Officer

Mr. Cataford was appointed Chief Executive Officer of the Company on April 1, 2019. Mr. Cataford had been Champion's Chief Operating Officer since March 20, 2017. In 2021, Mr. Cataford and Champion entered into an amended and restated employment agreement under which Mr. Cataford is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Cataford's employment agreement includes termination remuneration and benefit scenarios. Under the terms of Mr. Cataford's employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Cataford a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 24 months of Mr. Cataford then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Cataford in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 24, (iii) an indemnity for loss of pension plan contributions of Mr. Cataford's then current annual base salary divided by 12 and multiplied 24, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on a 24-month period. In addition, the Company will be required to maintain Mr. Cataford's participation to the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 24 months, and all unvested stock options, RSUs or PSUs held by Mr. Cataford that would have otherwise vested during the 24 months following termination had Mr. Cataford remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. If Mr. Cataford resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Cataford's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Cataford been terminated without cause.

Natacha Garoute – Chief Financial Officer

Ms. Garoute was appointed Chief Financial Officer of the Company on August 13, 2018. In 2021, Ms. Garoute and Champion entered into an amended and restated employment agreement under which Ms. Garoute is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Ms. Garoute's employment agreement includes termination remuneration and benefit scenarios. Under the terms of Ms. Garoute's employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

H. 2022 Executive Performance Metrics and Incentives (continued)

Agreements with Named Executive Officers (NEOs) (continued)

Natacha Garoute – Chief Financial Officer (continued)

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Ms. Garoute a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 18 months of Ms. Garoute's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Ms. Garoute in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 18, (iii) an indemnity for loss of pension plan contributions of Ms. Garoute's then current annual base salary divided by 12 and multiplied 18, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on an 18-month period. In addition, the Company will be required to maintain Ms. Garoute's participation to the same group insurance and/or health benefit plans as those she was entitled or participating immediately prior to termination (except for disability insurance) for a period of 18 months, and all unvested stock options, RSUs or PSUs held by Ms. Garoute that would have otherwise vested during the 18 months following termination had Ms. Garoute remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. If Ms. Garoute resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Ms. Garoute's resignation, the Company will be required to pay severance equal to that which would have been payable had Ms. Garoute been terminated without cause.

Alexandre Belleau – Chief Operating Officer

Mr. Belleau was appointed Chief Operating Officer of the Company on July 22, 2020. In 2021, Mr. Belleau and Champion entered into an amended and restated employment agreement under which Mr. Belleau is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Belleau's employment agreement includes termination remuneration and benefit scenarios. Under the terms of Mr. Belleau's employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Belleau a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 18 months of Mr. Belleau's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Belleau in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 18 (if at the date of termination, Mr. Belleau had not completed three years of employment with the Company, the indemnity for loss of STIP bonus shall be based on the STIP bonus paid to Mr. Belleau in the year prior to the date of termination, divided by 12 and multiplied by 18), (iii) an indemnity for loss of pension plan contributions of Mr. Belleau's then current annual base salary divided by 12 and multiplied 18, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on an 18-month period. In addition, the Company will be required to maintain Mr. Belleau's participation to the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 18 months, and all unvested stock options, RSUs or PSUs held by Mr. Belleau that would have otherwise vested during the 18 months following termination had Mr. Belleau remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. If Mr. Belleau resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Belleau's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Belleau been terminated without cause.

Steve Boucratie – Senior Vice-President, General Counsel and Corporate Secretary

Mr. Boucratie was appointed Vice-President, General Counsel and Corporate Secretary of the Company on May 20, 2019. On September 9, 2021, Mr. Boucratie was promoted to Senior Vice-President, General Counsel and Corporate Secretary. Mr. Boucratie and Champion entered into an employment agreement under which Mr. Boucratie is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Boucratie's employment agreement includes termination remuneration and benefit scenarios. Under the terms of Mr. Boucratie's employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

H. 2022 Executive Performance Metrics and Incentives (continued)

Agreements with Named Executive Officers (NEOs) (continued)

Steve Boucratie – Senior Vice-President, General Counsel and Corporate Secretary (continued)

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Boucratie a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 18 months of Mr. Boucratie's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Boucratie in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 18 (if at the date of termination, Mr. Boucratie had not completed three years of employment with the Company, the indemnity for loss of STIP bonus shall be based on the STIP bonus paid to Mr. Boucratie in the year prior to the date of termination, divided by 12 and multiplied by 18), (iii) an indemnity for loss of pension plan contributions of Mr. Boucratie's then current annual base salary divided by 12 and multiplied 18, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on an 18-month period. In addition, the Company will be required to maintain Mr. Boucratie's participation to the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 18 months, and all unvested stock options, RSUs or PSUs held by Mr. Boucratie that would have otherwise vested during the 18 months following termination had Mr. Boucratie remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. If Mr. Boucratie resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Boucratie's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Boucratie been terminated without cause.

Michael Marcotte – Senior Vice-President, Corporate Development and Capital Markets

Mr. Marcotte was appointed Vice-President, Investor Relations of the Company on January 10, 2019. On September 9, 2021, Mr. Marcotte was promoted to Senior Vice-President, Corporate Development and Capital Markets. Mr. Marcotte and Champion entered into an employment agreement under which Mr. Marcotte is entitled to participate in all elements of the executive remuneration program as well as any group insurance or health benefit plans the Company establishes.

Mr. Marcotte's employment agreement includes termination remuneration and benefit scenarios. Under the terms of Mr. Marcotte's employment agreement, no remuneration other than remuneration earned prior to the date of termination is payable by the Company in the event the employment agreement is terminated for just cause, voluntarily terminated or terminated due to death.

The Company may terminate the employment agreement at any time without cause by providing 60 days' notice, pay in lieu of notice or a combination of notice or pay in lieu thereof which covers the 60 days' notice period. In such scenario, the Company would pay to Mr. Marcotte a lump sum severance payment equal to (i) an indemnity in lieu of reasonable notice equal to 18 months of Mr. Marcotte's then current annual base salary, (ii) an indemnity for loss of STIP bonus calculated by taking an average of the annual STIP bonuses paid to Mr. Marcotte in the three years immediately preceding the date of termination, dividing by 12 and multiplying by 18, (iii) an indemnity for loss of pension plan contributions of Mr. Marcotte's then current annual base salary divided by 12 and multiplied 18, and (iv) an indemnity for the loss of the annual car allowance and financial advice allowance on an 18-month period. In addition, the Company will be required to maintain Mr. Marcotte's participation to the same group insurance and/or health benefit plans as those he was entitled or participating immediately prior to termination (except for disability insurance) for a period of 18 months, and all unvested stock options, RSUs or PSUs held by Mr. Marcotte that would have otherwise vested during the 18 months following termination had Mr. Marcotte remained employed will immediately vest (as if vesting occurred at 100%), become exercisable and payable. If Mr. Marcotte resigns due to an event that constitutes constructive dismissal under common law and constructive dismissal did in fact exist at the time of Mr. Marcotte's resignation, the Company will be required to pay severance equal to that which would have been payable had Mr. Marcotte been terminated without cause.

Executive Employment Agreements – Change of Control

The amended and restated employment agreement entered into between the Company and each of the NEOs further provides that in the event a change of control (as such term is defined in the agreement) occurs during their respective term of employment (that does not involve a transfer of the whole or any part of the undertaking or property of the Company), all of their respective unvested stock options, RSUs and PSUs will immediately vest (as if vesting occurred at 100%) and become exercisable.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

H. 2022 Executive Performance Metrics and Incentives (continued)

Agreements with Named Executive Officers (NEOs) (continued)

Executive Employment Agreements – Non-Competition, Non-Solicitation and Confidentiality Restrictions

NEOs gain strategic business knowledge during their employment. Champion ensures that this information is not used to the detriment of the Company by any executive following termination. To protect the Company's interests, the employment agreements entered into between Champion and its NEOs include customary non-competition and non-solicitation covenants applicable during the term of the agreements and for a period of twelve months following the end of employment, together with customary confidentiality clauses.

The following table sets forth the estimated incremental value that would become payable to each NEO in the event of employment termination by the Company without cause (including following a change of control) or in the event of a change of control of the Company, in each case as if the triggering event (change of control or termination without cause) had occurred on March 31, 2022.

	Termination Without Cause(1) ($)	Termination Without Cause Following Change of Control(2) ($)	Change of Control(3) ($)
David Cataford CEO	12,959,026	13,508,450	9,214,656
Natacha Garoute CFO	5,569,666	5,573,333	4,024,628
Alexandre Belleau Chief Operating Officer	4,561,800	4,592,223	3,081,828
Steve Boucratie Senior Vice-President, General Counsel and Corporate Secretary	3,918,748	3,945,567	2,581,450
Michael Marcotte Senior Vice-President, Corporate Development and Capital Markets	2,914,022	2,914,022	1,936,730

Notes:

(1) Amounts represent the value of the severance entitlements described under "Agreements with Named Executive Officers (NEOs)" above, and include the incremental value of the unvested stock options, RSUs or PSUs held by the NEO that would have otherwise vested during the severance period had the NEO remained employed that will immediately vest (as if vesting occurred at 100%) and become exercisable upon termination without cause (based on the TSX market closing price of the Shares on March 31, 2022 of $7.16). Amounts do not include the value of vested in-the-money options and vested and undelivered RSUs.

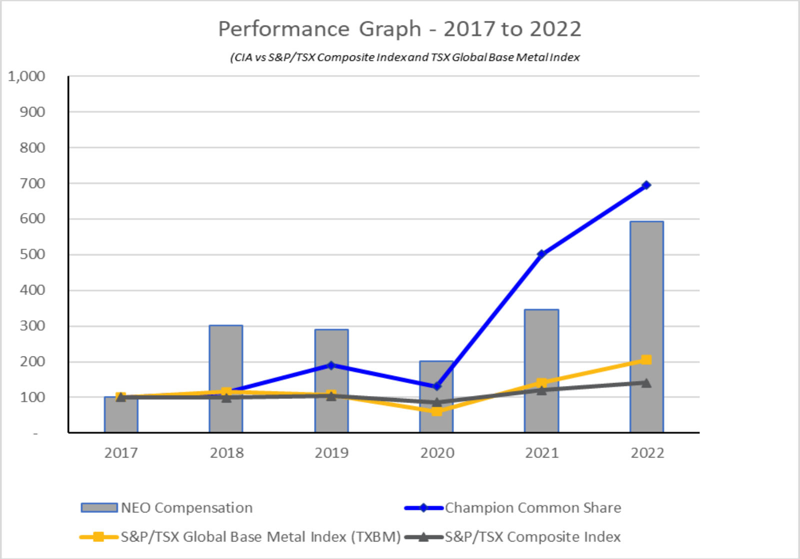
(2) Amounts represent the aggregate of (i) the incremental value of unvested stock options, RSUs and PSUs which will immediately vest (as if vesting occurred at 100%) and become exercisable upon a change of control of the Company (based on the TSX market closing price of the Shares on March 31, 2022 of $7.16), and (ii) the value of the severance entitlements described under "Agreements with Named Executive Officers (NEOs)" above (without duplication with respect to unvested stock options, RSU and PSUs which would have immediately vested and become exercisable upon the change of control). Amounts do not include the value of vested in-the-money options and vested and undelivered RSUs.

(3) Amounts represent the incremental value of unvested stock options, RSUs and PSUs which will immediately vest (as if vesting occurred at 100%) and become exercisable upon a change of control of the Company (based on the TSX market closing price of the Shares on March 31, 2022 of $7.16).

I. Performance

i. Performance Graph

The following graph and table is a reporting requirement under Canadian securities laws, and compares the Company's five-year cumulative total shareholder return had $100 been invested in the Company on the first day of the five-year period at the closing price of the Ordinary Shares on that date (April 1, 2017), with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Global Mining Index over the five most recently completed financial years ended on March 31.



(Expressed in Canadian dollars, except where otherwise indicated - audited)

I. Performance (continued)

ii. Performance Metrics

The following table discloses key production, revenue, net income (loss), EBITDA[1] and share price metrics for each of the financial years during the period from April 1, 2017 to March 31, 2022:

	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2019	Year Ended March 31, 2018
Production (wet metric tonnes)	7,907,300	8,001,200	7,903,700	6,994,500	623,300
Revenue	1,460,806,000	1,281,815,000	785,086,000	655,129,000	—
EBITDA[1]	925,817,000	819,477,000	347,433,000	276,575,000	(80,006,000)
Net income (loss)	522,585,000	464,425,000	121,050,000	147,599,000	(107,331,000)
Share price at March 31	7.16	5.16	1.35	1.96	1.17
Share price at March 31 (A$)	7.81	5.48	1.51	2.16	1.18

From April 1, 2017 to March 31, 2022, the share price of the Company increased by 595% compared to an increase of 41% and 105% in the S&P/TSX Composite and in the S&P/TSX Global base Metal Index, respectively, during the corresponding five-year period. During the same period, the aggregate remuneration of all individuals acting as NEOs increased by 493%, from a base of $2,838,145 in 2017 to $16,830,687 in 2022.

This increase in aggregate remuneration for all NEOs over the five-year period can be attributed to several factors, including the ongoing growth in the size and complexity of the business, which resulted in the addition of new officers, along with the development of the Company as it transitioned from development to production. Additionally, the Company is now focused on executing several complex growth projects, including its Phase II expansion and ongoing studies regarding organic growth opportunities such as the DR pellet feed plant and the Kami project. As such, the Company recently announced the commissioning of its Phase II expansion ahead of schedule. The compensation of NEOs also reflects the tightening of the employment market for mining executives over that period.

Accordingly, the Company's share price has significantly outperformed its peers since April 1, 2017, while also outpacing the growth in NEO remuneration. The Board is of the view that this has been driven by:

- management's advancement of the Bloom Lake Mine through several stages, including acquisition, evaluation, financing, restart of operation and production ramp-up of the Phase I project, then planning and construction of the Phase II expansion throughout volatile macroeconomic environments and within budgeted constraints;
- the operational and financial performance generated by the Bloom Lake iron ore mine since it went into production in 2018;
- achieving record production to capture elevated Fe prices and generate record EBITDA[1] during the COVID-19 pandemic while progressing the construction of the Phase II expansion aiming at doubling the Bloom Lake iron mine's production;
- the acquisition of properties in the Labrador Trough, including the Kami project and the Lac Lamêlée project; and
- the advancement of studies to consider organic growth projects, including the DR pellet feed plant to upgrade its iron ore concentrate to 69% Fe and the Kami project feasibility study.

As discussed above, the majority of NEO remuneration is "at risk", as short-term incentive (bonus) and long-term incentive remuneration are tied directly or indirectly to Company performance, achievement of milestones relating to Phase II and relative and/or absolute shareholder returns (including performance of the Company's Share price relative to a peer group, with a view to ensure that executives are motivated to deliver returns that are superior to what a shareholder could achieve in the broader market). As a consequence, actual NEO remuneration will increase with the outperformance of the Company's share price compared to industry peers, but conversely decrease in the face of an underperforming share price. The Board believes this is the ultimate test of the "pay-for-performance" principle and true alignment of NEO remuneration with shareholder returns.

[1] Non-IFRS financial measure or ratio with no standard meaning under the financial reporting framework used to prepare the financial statements. Refer to section P - Non-IFRS Financial Measures and Ratios at the end of this Remuneration Report.

J. DIRECTOR REMUNERATION

i. Remuneration Philosophy and Approach

The remuneration arrangements for non-executive directors are intended to attract highly qualified individuals with the capability to meet the challenging oversight responsibilities of a mining company and to closely align non-employee directors' interests with shareholder interests. Since the introduction of the Omnibus Incentive Plan, non-employee directors may receive equity-based remuneration in the form of DSU grants in lieu of the whole or part of their annual compensation. See "Equity Remuneration Arrangements for Directors", below for details on the Omnibus Incentive Plan.

The Remuneration and Nomination Committee reviews director compensation at least once a year and makes remuneration recommendations to the Board for its review and approval. Recommendations take into consideration the directors' time commitment, duties and responsibilities, and director remuneration practices and levels at comparable companies.

ii. Remuneration Arrangements for Non-Executive Directors

In conjunction with the review of executive compensation conducted for the year ended March 31, 2021, the Remuneration and Nomination Committee of the Board hired Mercer to provide an independent, third-party analysis of the Company's director compensation levels and practices. Based on the findings and recommendations of the 2021 Mercer report, the Board set the following non-executive director remuneration framework starting August 2021, paid in Canadian dollars for Canadian-based directors and in Australian dollars for Australian-based directors:

- annual cash retainer of $200,000 for non-executive directors;
- cash retainer of $60,000 for lead director;
- cash retainer of $40,000 for Chair of Audit Committee and Chairman of Remuneration and Nomination Committee;
- cash retainer of $20,000 for Chair of Environmental, Social and Governance Committee;
- no retainer for Committee members;
- no additional fees are paid for attendance at Board or committee meetings; and
- directors have all reasonable expenses covered when travelling on Company business.

At the 2021 annual meeting of shareholders of the Company, shareholders approved, for the purpose of ASX Listing Rule 10.17, Clause 10.2 of the Company's constitution and for all other purposes, that the aggregate maximum sum available for the remuneration of non-executive directors be increased by C$750,000 from C$1.0 million per year to C$1.75 million per year.

In conjunction with the review of executive compensation conducted for the year ended March 31, 2019, the Remuneration and Nomination Committee of the Board hired Mercer to provide an independent, third-party analysis of the Company's director compensation levels and practices. Based on the findings and recommendations of the 2019 Mercer report, the Board adopted the Omnibus Incentive Plan on June 24, 2018 to more closely align non-employee directors directly with the interests of Shareholders. The Omnibus Incentive Plan was subsequently ratified by Shareholders at the annual shareholder meeting held on August 17, 2018 and re-approved at the 2021 annual meeting. The purpose of the DSU portion of the Omnibus Incentive Plan is to promote the alignment of interests between directors and Shareholders and it is an important component of non-employee director remuneration because it:

- provides a remuneration system for directors that is reflective of the responsibility, commitment and risk accompanying Board membership;
- assists the Company to attract and retain individuals with experience and ability to serve as members of the Board; and
- allows the directors to participate in the long-term success of the Company.

Directors may elect to receive all or a portion of any of their annual fees in DSUs. The Board's current policy is that until directors obtain a shareholding which satisfies a share ownership level equivalent to three times their annual cash retainer (see "Share Ownership Policy" section" below), Directors must elect to receive a portion of their annual fees in DSUs. DSUs are priced at the greater of the five-day volume weighted average price of the Shares over the last five trading days preceding the grant, and the closing price of the Shares on the last trading day preceding the grant. DSUs issued under the Omnibus Incentive Plan may be settled in shares acquired on ASX or TSX at the time of the directors' retirement from all positions with the Company.

Mr. O'Keeffe and Mr. Cataford hold management positions in the financial year ended March 31, 2022, and consequently did not receive compensation for their service as directors.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

J. DIRECTOR REMUNERATION (continued)

iii. Share Ownership Policy

Champion established share and share-based ownership requirements (the "Share Ownership Policy") for the non-executive directors ("NED") of Champion who are compensated in their capacity as a director of Champion (collectively the "Compensated Directors"). The policy is designed to align the interests of those subject to the policy with the long-term interests of Shareholders. Each NED is required to hold that aggregate number of Shares, and vested DSUs (collectively "Champion Equity") having an aggregate value of at least three times his or her board retainer over a five-year period. Each Compensated Director is required to hold Champion Equity having an aggregate value of at least three times the value of the annual base cash retainer paid to the director as of the date of such individual becoming a Compensated Director. The required level of ownership of Champion Equity held by Compensated Directors is referred to as the "Relevant Threshold". Neither Mr. O'Keeffe nor Mr. Cataford were compensated in the financial year ended March 31, 2022 for acting as a director by virtue of their employment with Champion. In addition, Mr. Jyothish George has elected not to receive compensation and, as such, is not considered a Compensated Director. Consequently, the Share Ownership Policy did not require either of Mr. O'Keeffe, Mr. Cataford or Mr. George to hold Shares under the Share Ownership Policy. Compensated Directors are deemed to have permanently satisfied the Share Ownership Policy following the date on which either of the following values exceeds the Relevant Threshold:

- the aggregate price paid for the Champion Equity held by the Compensated Director; or
- the fair market value of the Champion Equity held by the Compensated Director.

Compensated Directors are required to comply with the policy requirements by the later of the fifth anniversary of such individual's date of hire, appointment or election. As of the date of this Remuneration Report, all Compensated Directors have met the minimum share ownership requirements, other than Ms. Louise Grondin who joined the board in August 2020 and is in transition towards satisfying her minimum ownership requirements.

Once the applicable ownership guideline is deemed to have been satisfied, the Compensated Director is deemed to meet the applicable ownership guideline on an on-going basis, provided that such Compensated Director does not dispose of Shares which causes such individual to fail to meet the Relevant Threshold immediately following such disposition based on the Champion Equity then held or deemed to be held by such individual.

Director Remuneration Table - Non-Statutory

The following table discloses all compensation provided to directors, other than any director who is an NEO of the Company, for the Company's most recently completed financial year ending March 31, 2022. Amounts presented under the column entitled Fees Earned in DSUs reflect the full fair values of the awards as measured at their respective grant dates. Accordingly, the amounts presented thereunder are not reflective of the related accounting expense for the period. Refer to Section K "Details of Total Statutory Remuneration for KMP (NEOs and Directors)" on page 97 of this Remuneration Report for the statutory remuneration table as calculated with reference to the Corporations Act. Fees are paid on a monthly basis. All DSUs were fully vested on March 31, 2022.

Name	Fees Earned in Cash ($)	Fees Earned in DSU ($)	Other Share-Based Awards ($)	Option-Based Awards ($)	All Other Compensation ($)	Total ($)
Michael O'Keeffe[1]	—	—	—	—	—	**—**
Gary Lawler	146,644	93,356	Nil	Nil	Nil	**240,000**
Andrew Love	237,170	22,830	Nil	Nil	Nil	**260,000**
Jyothish George	Nil	Nil	Nil	Nil	Nil	**Nil**
Michelle Cormier[2]	144,000	96,000	Nil	Nil	Nil	**240,000**
Wayne Wouters	119,750	80,250	Nil	Nil	Nil	**200,000**
Louise Grondin	110,000	110,000	Nil	Nil	Nil	**220,000**

Notes:

(1) Mr. O'Keeffe was not compensated in the financial year ended March 31, 2022 for acting as a director by virtue of his employment with the Company. See the section "Remuneration of Executive Chairman".

(2) Ms. Cormier was appointed to the Board in 2016 as a nominee of Wynnchurch pursuant to certain board nomination rights granted by the Company in favour of Wynnchurch in connection with a private placement of ordinary shares completed on April 11, 2016. Following the disposition of ordinary shares by Wynnchurch that was publicly announced by Wynnchurch on August 2, 2021, Wynnchurch is no longer entitled to nominate a candidate for election or appointment to the Board such that Ms. Cormier is no longer considered to be a director nominee of Wynnchurch.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

J. DIRECTOR REMUNERATION (continued)

iii. Share Ownership Policy (continued)

Fees Paid

The following table discloses a detailed breakdown of the fees paid to directors, other than any director who is an NEO of the Company, for the Company's most recently completed financial year ending March 31, 2022. Fees are paid quarterly on a monthly basis. All DSUs were fully vested on March 31, 2022.

Name	Board Retainer Fee ($)	Committee Retainers ($)	Meeting Fees ($)	Total ($)	Fees Paid in Cash[(1)] ($)	Fees Earned in DSUs[(2)] ($)	Total Fees ($)
Michael O'Keeffe[(3)]	Nil	Nil	Nil	**Nil**	Nil	Nil	**Nil**
Gary Lawler	200,000	40,000	Nil	**240,000**	146,644	93,356	**240,000**
Andrew Love	200,000	60,000	Nil	**260,000**	237,170	22,830	**260,000**
Jyothish George	Nil	Nil	Nil	**Nil**	Nil	Nil	**Nil**
Michelle Cormier	200,000	40,000	Nil	**240,000**	144,000	96,000	**240,000**
Wayne Wouters	200,000	Nil	Nil	**200,000**	119,750	80,250	**200,000**
Louise Grondin	200,000	20,000	Nil	**220,000**	110,000	110,000	**220,000**

Notes:

(1) Portion of total fees paid to the non-executive directors in cash.

(2) Portion of the total fees paid to the non-executive directors in DSUs.

(3) Mr. O'Keeffe was not compensated in the financial year ended March 31, 2022 for acting as a director by virtue of his employment with the Company. See the section "Remuneration of Executive Chairman".

(Expressed in Canadian dollars, except where otherwise indicated - audited)

J. DIRECTOR REMUNERATION (continued)

iv. Tabular Remuneration Disclosure for the Directors (continued)

Outstanding Share-Based Awards and Option-Based Awards

As at March 31, 2022, the end of the Company's most recently completed financial year, outstanding option-and share-based awards for all directors, other than any director who is an NEO of the Company, are set out in the following table:

Name	Option-Based Awards				Share-Based Awards[1]		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date (M/D/Y)	Value of Unexercised In-the-Money Options ($)[2]	Number of Shares or Units of Shares that Have not Vested (#)	Market or Payout Value of Share-Based Awards that Have not Vested ($)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($)
Michael O'Keeffe	Nil	Nil	Nil	Nil	239,435	1,714,356	623,404
Gary Lawler	Nil	Nil	Nil	Nil	Nil	Nil	512,182
Andrew Love	Nil	Nil	Nil	Nil	Nil	Nil	160,926
Jyothish George	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michelle Cormier	Nil	Nil	Nil	Nil	Nil	Nil	530,126
Wayne Wouters	Nil	Nil	Nil	Nil	Nil	Nil	512,711
Louise Grondin	Nil	Nil	Nil	Nil	Nil	Nil	326,918

Notes:

(1) In the case of Mr. O'Keeffe, share-based awards consist of RSUs and PSUs and are settled in Shares or cash in accordance with the Company's Omnibus Incentive Plan, and include RSUs and PSUs issued as dividend equivalents. RSUs vest over a specific period of time while PSUs vest upon meeting predetermined performance criteria. For more information regarding RSU and PSU vesting, please see Omnibus Incentive Plan Awards. The value of share-based awards noted above is based on the TSX market closing price of the Shares on March 31, 2022, being $7.16.

(2) The value of unexercised in-the-money options noted above is based on the difference between the closing market price of the Company's Shares on the TSX of $7.16 on March 31, 2022, and the exercise price of the option.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

J. DIRECTOR REMUNERATION (continued)

iv. Tabular Remuneration Disclosure for the Directors (continued)

Incentive Plan Awards - Value Vested or Earned During the Year

The following table discloses incentive plan awards to directors, other than any director who is an NEO of the Company, for the year ended March 31, 2022. Except for Mr. O'Keeffe, all of the share-based awards vested during the year which are referred to in the following table represent DSUs which directors elected to receive in lieu of annual fees paid in cash.

Name	Option-Based Awards Value Vested During the Year (1) ($)	Share-Based Awards Value Vested During the Year (1)(2) ($)	Non-Equity Incentive Plan Compensation Value Earned During the Year ($)
Michael O'Keeffe	Nil	282,711	Nil
Gary Lawler	Nil	121,320	Nil
Andrew Love	Nil	23,334	Nil
Jyothish George	Nil	Nil	Nil
Michelle Cormier	Nil	91,342	Nil
Wayne Wouters	Nil	131,342	Nil
Louise Grondin	Nil	98,451	Nil

Notes:

(1) Option-based awards value vested during the year are calculated using the Company's share price on March 31, 2022 and the exercise price. The share-based awards value vested during the year are calculated using the Company's share price on the vesting date.

(2) With respect to Gary Lawler, Michelle Cormier, Wayne Wouters and Louise Grondin, share-based awards value vested during the year includes DSUs related to the 2023 fiscal year and issued in March 2022 of $65,700, $30,000, $70,000 and $55,000, respectively, and includes DSUs issued as dividend equivalents. With respect to Michael O'Keeffe, share-based awards value vested during the year includes PSUs and RSUs held by Mr. O'Keeffe, and includes PSUs and RSUs issued as dividend equivalents.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

K. Details of Total Statutory Remuneration for KMP (NEOs and Directors)

The elements of statutory remuneration presented below have been recognised and measured in accordance with the applicable accounting standards under IFRS.

	Short-Term ($)										
Year Ended March 31, 2022	Salary	Con-sulting Fees	Bonus	Non-Monetary	Termi-nation Payments ($)	Pension ($)	Options ($)	DSUs[1] ($)	Total ($)	Perfor-mance Related	Consisting of Options
Michael O'Keeffe	550,000	—	—	54,313	—	—	559,916	—	1,164,229	— %	48.09 %
Gary Lawler	146,644	—	—	—	—	—	—	178,637	325,281	— %	— %
Andrew Love	237,170	—	—	—	—	—	—	42,855	280,025	— %	— %
Michelle Cormier[2]	144,000	—	—	—	—	—	—	148,037	292,037	— %	— %
Wayne Wouters	119,750	—	—	—	—	—	—	187,732	307,482	— %	— %
Louise Grondin	110,000	—	—	—	—	—	—	136,766	246,766	— %	— %
Jyothish George	—	—	—	—	—	—	—	—	—	— %	— %
David Cataford	900,000	—	1,381,219	42,400	—	96,228	4,160,495	—	6,580,342	20.99 %	63.23 %
Natacha Garoute	500,000	—	552,488	29,840	—	54,389	1,905,269	—	3,041,986	18.16 %	62.63 %
Alexandre Belleau	500,000	—	552,488	17,585	—	53,344	1,499,588	—	2,623,005	21.06 %	57.17 %
Steve Boucratie	480,000	—	471,456	21,999	—	51,238	1,316,991	—	2,341,684	20.13 %	56.24 %
Michael Marcotte	380,000	—	326,582	21,630		34,990	999,470	—	1,762,672	18.53 %	56.70 %
Total	**4,067,564**	**—**	**3,284,233**	**187,767**	**—**	**290,189**	**10,441,729**	**694,027**	**18,965,509**		

Note:

(1) Represents DSUs which directors elected to receive in lieu of annual fees paid in cash.

(2) Ms. Cormier was appointed to the Board in 2016 as a nominee of Wynnchurch pursuant to certain board nomination rights granted by the Company in favour of Wynnchurch in connection with a private placement of ordinary shares completed on April 11, 2016. Following the disposition of ordinary shares by Wynnchurch that was publicly announced by Wynnchurch on August 2, 2021, Wynnchurch is no longer entitled to nominate a candidate for election or appointment to the Board such that Ms. Cormier is no longer considered to be a director nominee of Wynnchurch.

	Short-Term ($)										
Year Ended March 31, 2021	Salary	Con-sulting Fees	Bonus	Non-Monetary	Termi-nation Payments ($)	Pension ($)	Options ($)	DSUs[1] ($)	Total ($)	Perfor-mance Related	Consisting of Options
Michael O'Keeffe	550,000	—	—	52,250	—	—	152,778	—	755,028	— %	20.23 %
Gary Lawler	140,210	—	—	—	—	—	—	48,704	188,914	— %	— %
Andrew Love	151,760	—	—	—	—	—	—	—	151,760	— %	— %
Michelle Cormier	92,094	—	—	—	—	—	—	70,997	163,091	— %	— %
Wayne Wouters	83,344	—	—	—	—	—	—	54,002	137,346	— %	— %
Jyothish George	16,141	—	—	—	—	—	—	135,001	151,142	— %	— %
Louise Grondin	—	—	—	—	—	—	—	—	—	— %	— %
David Cataford	750,000	—	1,262,573	40,380	—	80,850	869,930	—	3,003,733	42.03 %	28.96 %
Natacha Garoute	430,000	—	452,422	28,045	—	47,250	754,828	—	1,712,545	26.42 %	44.08 %
Alexandre Belleau	430,000	—	452,422	7,454	—	45,237	441,070	—	1,376,183	32.88 %	32.05 %
Steve Boucratie	400,000	—	420,858	8,152	—	42,000	490,457	—	1,361,467	30.91 %	36.02 %
Michael Marcotte	290,000	—	203,435	8,047	—	26,100	425,430	—	953,012	21.35 %	44.64 %
Total	**3,333,549**	**—**	**2,791,710**	**144,328**	**—**	**241,437**	**3,134,493**	**308,704**	**9,954,221**		

Note:

(1) Represents DSUs which directors elected to receive in lieu of annual fees paid in cash.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

L. Movement of Equity Held by Key Management Personnel (Named Executive Officers and Directors)

Stock Options as at March 31, 2022

Name	Balance April 1, 2021	Grant	Exercised	Cancelled	Held and Vested March 31, 2022	Unvested March 31, 2022
Michael O'Keeffe	—	—	—	—	—	—
David Cataford	300,000	—	—	—	200,000	100,000
Natacha Garoute	300,000	—	—	—	200,000	100,000
Alexandre Belleau	300,000	—	—	—	200,000	100,000
Steve Boucratie	420,000	—	120,000	—	200,000	100,000
Michael Marcotte	300,000	—	—	—	200,000	100,000
Gary Lawler	—	—	—	—	—	—
Andrew Love	—	—	—	—	—	—
Jyothish George	—	—	—	—	—	—
Michelle Cormier	—	—	—	—	—	—
Wayne Wouters	—	—	—	—	—	—
Louise Grondin	—	—	—	—	—	—

Ordinary Shares as at March 31, 2022

Name	Balance April 1, 2021	Purchased	Acquired Upon Exercise of Equity Award	Sold	Balance March 31, 2022	Value of Shares Issued During the Year[1]
Michael O'Keeffe	45,023,830	—	—	—	45,023,830	—
Gary Lawler	1,700,000	19,725	—	—	1,719,725	—
Andrew Love	1,660,813	—	—	—	1,660,813	—
Michelle Cormier	456,500	—	—	—	456,500	—
Wayne Wouters	440,000	—	—	—	440,000	—
Jyothish George	—	—	—	—	—	—
Louise Grondin	—	—	—	—	—	—
David Cataford	2,436,365	—	—	—	2,436,365	—
Natacha Garoute	101,934	—	75,712	—	177,646	387,645
Alexandre Belleau	260,200	—	—	—	260,200	—
Steve Boucratie	61,000	9,000	120,000	(85,000)	105,000	678,000
Michael Marcotte	123,796	5,000	—	—	128,796	—

Note:
(1) Represents value of Shares issued during the year upon exercise of option-base awards and share based-awards, calculated as at the applicable exercise date(s) based on the TSX market closing price of the Shares on the exercise date(s) multiplied by the number of options or rights exercised.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

M. Outstanding Grants of PSUs and Related Performance Periods

Name	Grant Date	Performance Period	Number of PSUs Granted	Value per PSU Granted at Grant Date ($)	Value of PSUs Granted at Grant Date ($)	Number of Additional PSUs Granted as Dividend Equivalent(1)	% of Performance Achieved, and Vested vs Forfeited PSUs
David Cataford CEO	April 30, 2019	April 1, 2019 to March 31, 2022	140,187	2.14	300,000	2,286	Will be determined in May 2022
	May 28, 2020	April 1, 2020 to March 31, 2023	231,760	2.33	540,000	3,780	Will be determined in May 2023
	June 7, 2021	April 1, 2021 to March 31, 2024	146,103	6.16	899,994	2.383	Will be determined in May 2024
	June 7, 2021	June 7, 2021 to January 30, 2023	487,013	6.16	3,000,000	7,944	Will be determined in January 2023
Natacha Garoute CFO	April 30, 2019	April 1, 2019 to March 31, 2022	105,140	2.14	225,000	1,715	Will be determined in May 2022
	May 28, 2020	April 1, 2020 to March 31, 2023	103,004	2.33	240,000	1,680	Will be determined in May 2023
	June 7, 2021	April 1, 2021 to March 31, 2024	50,259	6.16	309,595	819	Will be determined in May 2024
	June 7, 2021	June 7, 2021 to January 30, 2023	162,338	6.16	1,000,000	2,648	Will be determined in January 2023
Alexandre Belleau Chief Operating Officer	May 14, 2019	April 1, 2019 to March 31, 2022	48,969	2.23	109,200	798	Will be determined in May 2022
	May 28, 2020	April 1, 2020 to March 31, 2023	60,837	2.33	141,750	992	Will be determined in May 2023
	June 7, 2021	April 1, 2021 to March 31, 2024	50,259	6.16	309,595	819	Will be determined in May 2024
	June 7, 2021	June 7, 2021 to January 30, 2023	162,338	6.16	1,000,000	2,648	Will be determined in January 2023
Steve Boucratie Senior Vice-President, General Counsel and Corporate Secretary	May 28, 2020	April 1, 2020 to March 31, 2023	58,712	2.33	136,800	957	Will be determined in May 2023
	June 7, 2021	April 1, 2021 to March 31, 2024	46,753	6.16	287,998	762	Will be determined in May 2024
	June 7, 2021	June 7, 2021 to January 30, 2023	162,338	6.16	1,000,000	2,648	Will be determined in January 2023
Michael Marcotte Senior Vice-President, Corporate Development and Capital Markets	May 14, 2019	April 1, 2019 to March 31, 2022	44,260	2.23	98,700	722	Will be determined in May 2022
	May 28, 2020	April 1, 2020 to March 31, 2023	42,361	2.33	98,700	691	Will be determined in May 2023
	June 7, 2021	April 1, 2021 to March 31, 2024	24,009	6.16	147,895	391	Will be determined in May 2024
	June 7, 2021	June 7, 2021 to January 30, 2023	81,169	6.16	500,000	1,324	Will be determined in January 2023

Note:

(1) Represents PSUs granted as dividend equivalent. Dividend equivalent PSUs are subject to the same terms and conditions as the PSUs and vest and are settled at the same time and in the same form as the PSUs to which such dividend equivalent PSUs relate.

(Expressed in Canadian dollars, except where otherwise indicated - audited)

N. Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out, as at March 31, 2022, the end of the Company's last completed financial year, information regarding outstanding options, RSUs, PSUs and DSUs granted by the Company under the Omnibus Incentive Plan. As at March 31, 2022, the number of issued and outstanding Shares of the Company was 516,611,876.

Equity Compensation Plan Information

	Number of Securities to be Issued upon Exercise of Outstanding Options, PSUs, RSUs and DSUs	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a))
Plan Category	**(a)**	**(b)**	**(c)**
Equity Compensation plans approved by security holders	1,500,000 (Options) 285,316 (DSUs) 1,142,416 (RSUs) 2,842,239 (PSUs)	$5.00 (Options)	45,891,217
Equity Compensation plans not approved by security holders	Nil	N/A	N/A
Total	**5,769,970**	**$5.00 (Options)**	**45,891,217**

O. Other Information

Indebtedness of Directors and Executive Officers

As at the date of this Remuneration Report or within 30 days of this date, no executive officer, director, employee or former execute officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity, which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or its subsidiaries with the exception of Mr. Cataford. On June 24, 2018, the Board of directors approved the issuance of a five-year interest free loan of $500,000 to Mr. Cataford. The loan is secured by way of mortgage over a property.

Interest of Informed Persons in Material Transactions

None of the directors or executive officers of the Company, persons beneficially owning, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which has or will materially affect the Company except as disclosed elsewhere in this report.

Management Contracts

Except as set out in the Remuneration Report, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

O. Other Information (continued)

Director's Attendance for the Financial Year Ended March 31, 2022

Name	Board of Directors Meetings	Audit Committee Meetings	Remuneration Committee Meetings	ESG Meetings
Michael O'Keeffe	9 of 9	N/A	N/A	N/A
David Cataford	9 of 9	N/A	N/A	N/A
Gary Lawler	9 of 9	5 of 5	6 of 6	N/A
Andrew Love	9 of 9	5 of 5	6 of 6	N/A
Jyothish George	9 of 9	N/A	N/A	N/A
Michelle Cormier	9 of 9	5 of 5	6 of 6	5 of 5
Wayne Wouters	9 of 9	N/A	N/A	5 of 5
Louise Grondin	9 of 9	N/A	N/A	5 of 5

P. Non-IFRS Financial Measures and Ratios

This Remuneration Report contains non-IFRS financial measures and ratios such as EBITDA, FCF, cash cost and ROCE. These measures are mainly derived from the financial statements but do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore, may not be comparable to similar measures presented by other companies. These non-IFRS financial measures and ratios, which are representative of the Company's performance, are used to determine the executive compensation.

Additional details on EBITDA and cash cost, including reconciliations to the most directly comparable IFRS measures, have been incorporated by reference and can be found in section 20 - Non-IFRS and Other Financial Measures in the Company's Management's Discussion and Analysis ("MD&A") for the three-month period and year ended March 31, 2022, available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and on the Company's website under the Investors section at www.championiron.com.

EBITDA

EBITDA is a non-IFRS financial measure which represents income (loss) before income and mining taxes, net finance costs and depreciation. For simplicity and comparative purposes, the Company did not exclude non-cash share-based payments, Phase II pre-commercial start-up costs, COVID-19-related expenditures and other income. EBITDA does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

	Year Ended March 31,				
	2022	2021	2020	2019	2018
(in thousands of dollars)					
Income (loss) before income and mining taxes	**870,843**	761,872	241,188	213,611	(107,331)
Net finance costs	**11,045**	22,428	84,244	48,413	23,081
Depreciation	**43,929**	35,177	22,001	14,551	4,244
EBITDA	**925,817**	819,477	347,433	276,575	(80,006)

P. Non-IFRS Financial Measures and Ratios (continued)

Free Cash Flow

FCF is a non-IFRS measure defined as net increase in cash and cash equivalents plus investments in the Bloom Lake Phase II expansion project and cash flows used in financing activities. Phase II start-up costs are composed of property, plant and equipment expenditures, long-term advance payments and deposits related to existing port, rail and transboarding infrastructure and Phase II start-up costs mainly related to staff mobilization and training, which were part of the Phase II construction budget.

FCF includes all tax payments including true-up payments made in relation to prior income tax expenses. As such, FCF generated by Champion for the 2022 fiscal year included payments of $191.5M related to the 2021 income tax expenses. FCF reflects cost and capital management and production efficiencies. FCF does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

	Year Ended March 31, 2022	Year Ended March 31, 2021
(in thousands of dollars)		
Net increase (decrease) in cash and cash equivalent	**(283,171)**	353,034
Plus: Cash flows used in financing activities	**118,141**	26,300
Plus: Phase II capital expenditures[1]	**354,035**	97,087
Plus: Phase II advance payments	**97,067**	15,211
Plus: Bloom Lake Phase II start-up costs	**17,752**	—
Free Cash Flow	**303,824**	**491,632**

[1] Phase II capital expenditures are included in purchase of property, plant and equipment as per the statements of cash flows as described in section 13 - Cash Flows of the MD&A for the three-month period and year ended March 31, 2022, available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and on the Company's website under the Investors section at www.championiron.com.

Return on Capital Employed

ROCE is a non-IFRS ratio defined as EBITDA divided by capital employed consisting of the current portion of the long-term debt, the long-term debt, and total equity as per statement of financial position. This measure is largely used in a capital-intensive industry such as mining. ROCE does not have any standardized meaning prescribed by IFRS and therefore, may not be comparable to similar measures presented by other companies.

III. SPECIFIC AND GENERAL INFORMATION

Principal Activities

Champion's principal activities include the production of high-grade iron ore concentrate and the development and exploration of its iron ore properties in Québec and in the Labrador Trough, Canada.

Operating and Financial Review

The review of operations and financials is set out in Section II and forms part of this Directors' Report.

Events Occurring After the Reporting Period

On May 24, 2022, the Company signed a four-year general purpose revolving facility of $US400,000,000 and refinanced the previous Phase II Credit Facility.

On May 25, 2022 (Montréal time) / May 26, 2022 (Sydney time), the Board declared a dividend of $0.10 per ordinary share in connection with the financial results for the period ended March 31, 2022, payable on June 28, 2022, to the Company's shareholders at the close of business in Australia and Canada on June 7, 2022 (local time).

Other than elements listed above, there are no significant matters, circumstances or events that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs, in the financial years subsequent to the financial year ended March 31, 2022.

Directors

The Directors of the Company in office during the year and until the date of this report, their qualifications and experience are set out in Section 03 - Corporate Governance of the Annual Report.

Company Secretary and Corporate Secretary

Pradip Devalia is the Company Secretary - Australia and Steve Boucratie is the Corporate Secretary. Details of their qualifications and experience are set out in Section 01 - Overview (Management Team) of the Annual Report.

Environmental Regulation and Compliance

Champion's operations are located in Canada and, as such, it is not subject to the environmental laws or regulations of the Commonwealth of Australia or any State or Territory in Australia.

Dividends

An unfranked interim dividend was declared and paid during the fiscal year ended March 31, 2022 at an amount of CA$0.10 per ordinary share. The record date for determining the entitlement to the interim dividend was February 8, 2022. The interim dividend was paid on March 1, 2022. An unfranked final dividend was declared on May 25, 2022 (Montréal time) / May 26, 2022 (Sydney time), payable on June 28, 2022. Dividends paid by subsidiaries are not included. No interim or final dividend has been declared for the fiscal year ended March 31, 2021. Dividends paid by subsidiaries were not included.

Indemnification and Insurance of Directors and Officers

There are indemnities in place for Directors and Officers and insurance policies in regard to their positions. Since the end of the previous year, the Company has paid premiums to insure the Directors and Officers of Champion. No payment has been made to indemnify any director or officer during or since the year ended March 31, 2022.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of Champion, other than those disclosed in this report.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Indemnity of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims from third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Non-Audit Services

Ernst & Young performed other services in addition to their statutory duties. The details and remuneration for these services is disclosed in note 31 of the Financial Statements (Section 06 — Financial Report of the Annual Report). The Directors have considered the non-audit services provided during the year by the auditor, and are satisfied that the provision of non-audit services by the auditor during the year is compatible, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

(a) All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and

(b) The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended March 31, 2022 has been received, as set out in Section 06 — Financial Report of the Annual Report.

Rounding

The Company is of a kind referred to in ASIC Corporation (Rounding in Financial/Directors' report) Instruments 2016/191 issued by the Australian Securities and Investments Commission. In accordance with the class order, amounts in this report and in the financial report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

Signed in accordance with a resolution of the Directors

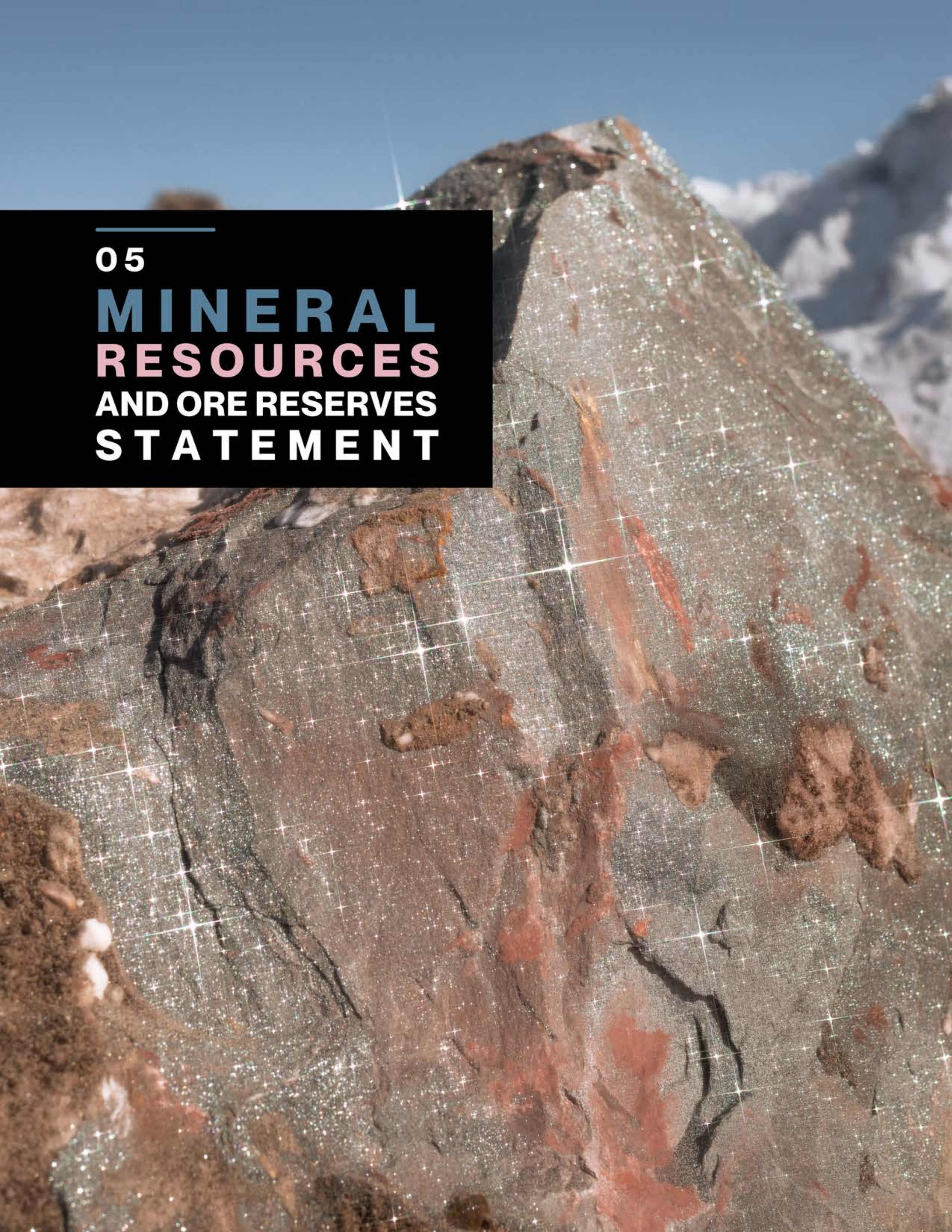
/s/ Michael O'Keeffe

Michael O'Keeffe, Executive Chairman

/s/ Andrew Love

Andrew Love, Lead Director

05 MINERAL RESOURCES AND ORE RESERVES STATEMENT



MINERAL RESOURCES AND ORE RESERVES STATEMENT

Tonnage and quality information contained in the following tables have been rounded and as a result, the figures may not add up to the totals quoted.

1. Governance Arrangements and Internal Controls

Mineral reserves and resources are subject to a systematic internal peer review. Process and validations are documented and sent to the Resource and Reserve committee for approval. As a control, external technical audits are conducted when required. The 2021 technical audit did not identify any major risk or flaws in the estimation. In general, any estimation update would be based on new information, including but not limited to drilling information, calibration to production and changes to assumptions. Information used for update is validated by a "qualified person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Tonnages and grades included in the following statement have been reviewed by the Resource and Reserve committee.

2. Historical Mineral Reserves and Resources

The historical mineral reserves and resources mentioned in this document are strictly historical in nature, are non-compliant with NI 43-101 or the Joint Ore Reserves Committee ("JORC") Code (2012 edition) and should therefore not be relied upon. Historical estimates have not been verified in accordance with the Appendix 5A (JORC Code) since their last technical report. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in the JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves, and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

Certain resources mentioned are foreign estimates from an Australian perspective.

3. Bloom Lake Feasibility Study (the "Phase II Feasibility Study")

The Phase II reserves and resources are based on the technical report entitled "Bloom Lake Mine – Feasibility Study Phase II", prepared pursuant to NI 43-101 and the JORC Code (2012 edition) by BBA Inc., Soutex and WSP Canada Inc., having an effective date of June 20, 2019 and filed on August 2, 2019. Bloom Lake Phase II mineral reserves include Bloom Lake Phase I mineral reserves as of the effective date of the mineral reserve estimate reported in the Phase II Feasibility Study. The Company is not aware of any new information or data that materially affects the information included in the Phase II Feasibility Study and confirms that all material assumptions and technical parameters underpinning the estimates in the Phase II Feasibility Study continue to apply and have not materially changed. The Phase II Feasibility Study is available under the Company's filings at www.sedar.com and on the ASX at www.asx.com.au.

4. Reserves and Resources — Bloom Lake as at March 31, 2022

During the 2022 fiscal year, stripping activities commenced as detailed in the NI 43-101 and JORC Code (2012 edition) compliant technical report titled "Bloom Lake Mine – Feasibility Study Phase II", authored by BBA, Soutex and WSP Canada Inc., and dated June 20, 2019. As such, it is no longer relevant to report reserves and resources separately as Phase I and Phase II.

The Bloom Lake reserves and resources were subject to adjustments for new drilling, operational experience and depletion, due to iron ore being mined as of March 31, 2022. The Phase II Feasibility Study is available under the Company's filings at www.sedar.com and on the ASX at www.asx.com.au.

- Total Bloom Lake measured and indicated resources totalled 846 Mt as at March 31, 2022, compared to 843 Mt as at March 31, 2021 for Phase I (894 Mt as at March 31, 2021 for Phase II, inclusive of Phase I);
- Bloom Lake inferred resources totalled 129 Mt as at March 31, 2022, compared to 79 Mt as at March 31, 2021 for Phase I (54 Mt as at March 31, 2021 for Phase II, inclusive of Phase I); and
- Total Bloom Lake proven and probable reserves totalled 745 Mt at 28.8% Fe as at March 31, 2022, compared to 345 Mt at 30.0% Fe as at March 31, 2021 for Phase I (807 Mt at 29.0% as at March 31, 2021 for Phase II, inclusive of Phase I).

All Bloom Lake mineral resources reported are inclusive of the Bloom Lake mineral reserves. The Bloom Lake mineral reserves and resources reported were estimated using an iron ore reference price of US$61.50/dmt (based on CFR China Index P62). Bloom Lake proven reserves and measured resources as of March 31, 2022 include 1.2 Mt of pre-concentration stockpiles.

The changes in resources and reserves between March 31, 2021 and March 31, 2022 are mostly due to the following:

- Change in the pit design in relation to the Phase II expansion detailed in the Phase II Feasibility Study;
- Adjustment of the geological domains due to the addition of new drill holes to the database;
- Adjustment of the estimation parameters used in modelling through calibration with results from operations; and
- Yearly depletion.

Table 1: Bloom Lake Mineral Resource Estimate (at 15% Fe Cut-Off)

	As at March 31, 2022 (Phases I and II)					As at March 31, 2021 (Phase I)
Category	**Mt Tonnage (dmt)**	**Fe (%)**	**CaO (%)**	**MgO (%)**	**Al_2O_3 (%)**	**Mt Tonnage (dmt)**
Measured	219	30.4	1.3	1.2	0.3	379
Indicated	626	28.6	2.1	1.9	0.5	464
Total measured and indicated resources	846	29.0	1.9	1.7	0.4	843
Inferred	129	27.2	1.3	1.2	0.5	79

Table 2: Bloom Lake Phase Mineral Reserve Estimate (at 15% Fe Cut-Off)

	As at March 31, 2022 (Phases I and II)					As at March 31, 2021 (Phase I)
Category	**Mt Tonnage (dmt)**	**Fe (%)**	**CaO (%)**	**MgO (%)**	**Al_2O_3 (%)**	**Mt Tonnage (dmt)**
Proven*	214	30.1	1.3	1.2	0.3	202
Probable	531	28.3	2.3	2.1	0.5	143
Total proven and probable	745	28.8	2.0	1.8	0.4	345

* Proven tonnage of 214 Mt includes 1 Mt of stockpiles.

5. Consolidated Reserves and Resources as at March 31, 2022

Bloom Lake mineral resources and reserves, as stated by the Phase II Feasibility Study, include Bloom Lake Phase I resources and reserves and do not take into account the depletion. Bloom Lake mineral resources and reserves have been adjusted for depletion and calibrated with production.

The reserves and resources mentioned below (except the Bloom Lake reserves and resources) are historical estimates. The historical mineral reserves and resources mentioned in this document are strictly historical in nature, are non-compliant with NI 43-101 or the JORC Code (2012 edition) and should therefore not be relied upon. Historical estimates have not been verified in accordance with the Appendix 5A (JORC Code) since their last technical report. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in the JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

Table 3: Consolidated Mineral Resources (million dmt)

Property	Group	Measured	Indicated	Total Measured & Indicated	Inferred
Bloom Lake	Bloom Lake	**219**	**626**	**846**	**129**
Consolidated Fire Lake North[1]	Fire Lake North[1]	27	667	694	522
	Bellechasse	—	—	—	215
	Oil Can	—	—	—	967
	Total	**27**	**667**	**694**	**1,704**
Moiré Lake[2]	Moiré Lake	**—**	**164**	**164**	**417**
Quinto Claims[3]	Peppler Lake	—	327	327	216
	Lamêlée North	—	272	272	653
	Hobdad	—	—	—	508
	Total	**—**	**599**	**599**	**1,377**
Lamêlée South[4]	Lamêlée South	**—**	**75**	**75**	**229**
Kamistiatusset[5]	Rose North	236	313	549	287
	Rose Central	250	295	545	161
	Mills Lake	51	131	182	75
	Total	**537**	**739**	**1,276**	**523**
Harvey-Tuttle[6]	Harvey-Tuttle	**—**	**—**	**—**	**947**
Penguin Lake[7]	Penguin Lake (45% Champion Iron Limited interest)	**—**	**—**	**—**	**239**
Total as at March 31, 2022		**783**	**2,868**	**3,651**	**5,565**
Total as at March 31, 2021		**406**	**1,944**	**2,350**	**3,990**

Table 4: Consolidated Mineral Reserves (million dmt)

Property / Group	Proven	Fe (%)	Probable	Fe (%)	Reserves Proven & Probable	Fe (%)
Bloom Lake*	214	30.1	531	28.3	745	28.8
Fire Lake North[8]	24	36.0	441	32.2	465	32.4
Kamistiatusset[5]	393	29.0	125	28.2	517	28.8
Total as at March 31, 2022	**631**	**29.6**	**1,096**	**29.8**	**1,727**	**29.8**
Total as at March 31, 2021	**370**	**30.3**	**902**	**30.1**	**1,272**	**30.2**

* Proven tonnage of 214 Mt includes 1 Mt of stockpiles.

1 The historical Consolidated Fire Lake resource estimates are based on the NI 43-101 technical reports entitled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project" by BBA Inc., P&E Mining Consultants Inc. and Rail Cantech Inc. dated February 22, 2013 and having an effective date of January 25, 2013 (as regards Fire Lake North), "Technical Report and Resource Estimate on the Bellechasse and Fire Lake North Properties, Fermont Project Area, Québec, Canada" prepared by P&E Mining Consultants Inc. dated December 23, 2009 and having an effective date of November 10, 2009 (as regards Bellechasse) and "Technical Report and Mineral Resource Estimate on the Oil Can Deposit of the Consolidated Fire Lake North Property, Fermont Area, Quebec, Canada" by P&E Mining Consultants Inc. dated August 17, 2012 and having an effective date of July 1, 2012 (as regards Oil Can). The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as

defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

[2] The historical Moiré Lake resource estimates are based on the NI 43-101 technical report entitled "Technical Report and Mineral Resource Estimate on the Moire Lake Property" by P&E Mining Consultants Inc. dated May 11, 2012 and having an effective date of March 28, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

[3] The historical Quinto resource estimates are based on the NI 43-101 technical reports entitled "Mineral Resource Technical Report, Peppler Project, Quebec" (as regards Peppler Lake) and "Mineral Resource Technical Report, Lamêlée Project, Quebec" (as regards Lamêlée), each by G H Wahl & Associates Consulting dated February 15, 2013 and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

[4] The historical Lac Lamêlée resource estimates are based on the NI 43-101 technical report entitled "NI 43-101 Technical Report and Mineral Resource Estimate on the Lac Lamêlée South Resources Quebec - Canada" by Met-Chem, a division of DRA Americas Inc. dated July 28, 2017 and having an effective date of January 26, 2017. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion Iron Limited is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near Champion Iron Limited's existing mining tenements and therefore the reports on these mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.

[5] The historical Kami Project resource estimates are based on the NI 43-101 technical report entitled "Feasibility Study of the Rose Deposit and Resource Estimate for the Mills Lake Deposit of the Kamistiatusset (Kami) Iron Ore Property, Labrador" prepared for Alderon Iron Ore Corp. by BBA Inc., Stantec and Watts, Griffis and McOuat Ltd. dated January 9, 2013 and having an effective date of December 17, 2012. The historical Kami Project reserve estimates are based on the NI 43-101 technical report entitled "Updated Feasibility Study of the Kamistiatusset (Kami) Iron Ore Property, Labrador" prepared for Alderon Iron Ore Corp. by BBA Inc., Gemtec Ltd., Watts, Griffis and McOuat Ltd. and Golder Associates Ltd. dated October 31, 2018 and having an effective date of September 26, 2018. Kami Project mineral resources include Kami Project mineral reserves. The historical mineral resources and reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules. As stated above, the Company has initiated work to revise the Kami Project's scope and update the feasibility study.

[6] The historical Harvey-Tuttle resource estimates are based on the NI 43-101 technical report entitled "Technical Report and Resource Estimate on the Harvey-Tuttle Property Québec, Canada" by P&E Mining Consultants Inc. dated April 13, 2011 and having an effective date of February 25, 2011. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

[7] The historical Penguin Lake resource estimates are based on the National Instrument 43-101 technical report entitled "43-101 Technical Report and Mineral Resource Estimate on the Penguin Lake Project" by MRB & Associates dated February 3, 2014 and having an effective date of May 1, 2013. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion Iron Limited is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near Champion Iron Limited's existing mining tenements and therefore the reports on these mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.

[8] The historical Fire Lake North reserve estimates are based on the NI 43-101 technical report entitled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project" by BBA Inc., P&E Mining Consultants Inc. and Rail Cantech Inc. dated February 22, 2013 and having an effective date of January 25, 2013. The historical mineral reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

5. Consolidated Reserves and Resources (continued)

I. Bloom Lake (Inclusive of Phase I)

Bloom Lake mineral resources and reserves as stated by the Phase II Feasibility Study, include Bloom Lake Phase I resources and reserves and do not take into account the depletion. Bloom Lake mineral resources and reserves have been adjusted for depletion and calibrated with production.

Table 5: March 31, 2022 Bloom Lake Mineral Resource Estimate (at 15% Fe Cut-Off)

Category	Mt Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al_2O_3 (%)
Measured	219	30.4	1.3	1.2	0.3
Indicated	626	28.6	2.1	1.9	0.5
Total measured and indicated	846	29.0	1.9	1.7	0.4
Inferred	129	27.2	1.3	1.2	0.5

Table 6: March 31, 2022 Bloom Lake Mineral Reserve Estimate (at 15% Fe Cut-Off)

Category	Mt Tonnage (dmt)	Fe (%)	CaO (%)	MgO (%)	Al_2O_3 (%)
Proven*	214	30.1	1.3	1.2	0.3
Probable	531	28.3	2.3	2.1	0.5
Total proven and probable	745	28.8	2.0	1.8	0.4

* Proven tonnage of 214 Mt includes 1 Mt of stockpiles.

In addition to the Bloom Lake Mine, the Company owns interests in 13 other iron ore deposits (total of 14 deposits) located in the Labrador Trough, some 300 km north of the City of Sept-Îles and ranging from 6 to 80 km west and southwest of Fermont. The other projects with historical reserves and resources are as follows:

II. Consolidated Fire Lake North

The consolidated Fire Lake North project includes three deposits, the Fire Lake North, Bellechasse and Oil Can deposits. All deposits are located north of ArcelorMittal's Fire Lake mine.

Table 7: Fire Lake North Historical Mineral Resource Estimate at Cut-Off 15% Fe[9]

Category	Mt Tonnage (dmt)	Fe (%)
Measured	27	35.2
Indicated	667	31.4
Total measured and indicated resources	694	31.5
Inferred	522	30.1

Table 8: Fire Lake North Historical Mineral Reserve Estimate at Cut-Off 15% Fe[9]

Category	Mt Tonnage (dmt)	Fe (%)	CaO (%)	Weight Recovery (%)
Proven	24	36.0	0.5	45.0
Probable	441	32.2	2.8	39.6
Total proven and probable	465	32.4	1.3	39.9

9 The historical Fire Lake North resource estimates are based on the NI 43-101 technical report entitled "Preliminary Feasibility Study of the West and East Pit Deposits of the Fire Lake North Project" by BBA Inc., P&E Mining Consultants Inc. and Rail Cantech Inc. dated February 22, 2013 and having an effective date of January 25, 2013. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

5. Consolidated Reserves and Resources (continued)

II. Consolidated Fire Lake North (continued)

Table 9: Historical Inferred Resources for Other Consolidated Fire Lake North Deposits at Cut-Off 15% Fe[10]

Deposit	Mt Tonnage (dmt)	Fe (%)
Bellechasse	215	28.7
Oil Can	967	33.2

III. Moiré Lake

Moiré Lake is a stand-alone deposit located approximately 6 km west from the city of Fermont and it is the far extension of ArcelorMittal's Mont-Wright Mine. While ArcelorMittal's ore is hematite-rich, the Moiré Lake deposit is a mix of hematite and magnetite.

Table 10: Moiré Lake Historical Resource Estimate at Cut-Off 15% Fe[11]

Category	Mt Tonnage (dmt)	Fe (%)
Measured	—	—
Indicated	164	30.5
Total measured and indicated resources	164	30.5
Inferred	417	29.4

IV. Quinto Claims

The Quinto holding is composed of 435 claims with several iron ore deposits and occurrences. The property is adjacent to the Consolidated Fire Lake North project. All the deposits have more magnetite than hematite with small amounts of iron silicates. The Peppler Lake and Lamêlée projects are part of the Quinto Claims.

Table 11: Peppler Lake Historical Resource Estimate at Cut-Off 18% Fe[12]

Category	Mt Tonnage (dmt)	Fe (%)
Measured	—	—
Indicated	327	28.0
Total measured and indicated resources	327	28.0
Inferred	216	27.5

10 The historical Consolidated Fire Lake resource estimates are based on the NI 43-101 technical reports entitled "Technical Report and Resource Estimate on the Bellechasse and Fire Lake North Properties, Fermont Project Area, Québec, Canada" prepared by P&E Mining Consultants Inc. dated December 23, 2009 and having an effective date of November 10, 2009 (as regards Bellechasse) and "Technical Report and Mineral Resource Estimate on the Oil Can Deposit of the Consolidated Fire Lake North Property, Fermont Area, Quebec, Canada" by P&E Mining Consultants Inc. dated August 17, 2012 and having an effective date of July 1, 2012 (as regards Oil Can). The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

11 The historical Moiré Lake resource estimates are based on the NI 43-101 technical report entitled "Technical Report and Mineral Resource Estimate on the Moire Lake Property" by P&E Mining Consultants Inc. dated May 11, 2012 and having an effective date of March 28, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

12 The historical Peppler Lake resource estimates are based on the NI 43-101 technical report entitled "Mineral Resource Technical Report, Peppler Project, Quebec" by G H Wahl & Associates Consulting dated February 15, 2013 and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

5. Consolidated Reserves and Resources (continued)

IV. Quinto Claims (continued)

Table 12: Lamêlée Historical Resource Estimate at Cut-Off 18% Fe[13]

Category	Mt Tonnage (dmt)	Fe (%)
Measured	—	—
Indicated	272	29.4
Total measured and indicated resources	272	29.4
Inferred	653	30.5

Table 13: Hobdad Historical Resource Estimate at Cut-Off 18% Fe[14]

Category	Mt Tonnage (dmt)	Fe (%)
Measured	—	—
Indicated	—	—
Total measured and indicated resources	—	—
Inferred	508	27.4

V. Lamêlée South

Table 14: Lamêlée South Historical Resource Estimate at Cut-Off 18% Fe[15]

Category	Mt Tonnage (dmt)	Fe (%)
Measured	—	—
Indicated	75	31.6
Total measured and indicated resources	75	31.6
Inferred	229	30.5

13 The historical Lamêlée resource estimates are based on the NI 43-101 technical report entitled "Mineral Resource Technical Report, Lamêlée Project, Quebec" by G H Wahl & Associates Consulting dated February 15, 2013 and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

14 The historical Quinto resource estimates are based on the NI 43-101 technical reports entitled "Mineral Resource Technical Report, Peppler Project, Quebec" (as regards Peppler Lake) and "Mineral Resource Technical Report, Lamêlée Project, Quebec" (as regards Lamêlée), each by G H Wahl & Associates Consulting dated February 15, 2013 and having an effective date of December 31, 2012. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A "qualified person", as defined in NI 43-101, or a "competent person", as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

15 The historical Lac Lamêlée South resource estimates are based on the NI 43-101 technical report entitled "NI 43-10 Technical Report and Mineral Resource Estimate on the Lac Lamêlée South Resources Quebec - Canada" by Met-Chem, a division of DRA Americas Inc. dated July 28, 2017 and having an effective date of January 26, 2017. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion Iron Limited is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near Champion Iron Limited's existing mining tenements and therefore the reports on these mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules.

5. Consolidated Reserves and Resources (continued)

VI. Kami

On April 1, 2021, the Company acquired the mining properties of the Kami Project and is planning to revise the Kami Project's scope and update its previously completed feasibility study. The historical mineral reserves and resources of the Kami Project are as follows:

Table 15: Kami Project Historical Mineral Resource Estimate (at 15% Fe Cut-Off)[16]

Category	Mt Tonnage (dmt)	Fe (%)	MagFe (%)	HmFe (%)	Mn (%)
Measured	537	29.9	15.9	10.9	1.2
Indicated	739	29.5	15.8	10.3	1.1
Total measured and indicated	1,276	29.7	15.8	10.5	1.1
Inferred	523	29.5	15.0	11.1	1.0

Table 16: Kami Project Historical Mineral Reserve Estimate (at 15% Fe Cut-Off)[16]

Category	Mt Tonnage (dmt)	Fe (%)	MagFe (%)	Mag (%)	Weight Recovery (%)
Proven	393	29.0	15.0	1.2	34.7
Probable	125	28.2	11.1	1.1	32.0
Total proven and probable	517	28.8	14.1	1.2	34.1

VII. Harvey-Tuttle

The Harvey-Tuttle property is located northwest of the Quinto Claims. It holds several small deposits, although one of them, Turtleback Mountain, holds significant historical resources. As a whole, the Harvey-Tuttle property has 947 Mt of inferred historical resources at 23.2% Fe.[17]

VIII. Cluster 3

A series of 126 claims located near the closed Lac Jeannine Mine, identified as Cluster 3, was optioned to Cartier Iron Corporation. Champion Iron Mines Limited still hold 45% of the property. The main asset in Cluster 3 is the Penguin Lake deposit. It has a total of 535 Mt of inferred historical resources (239 Mt attributable to the Company) at 33.1% Fe with a cut-off at 15% Fe.[18] Cluster 3 also includes a series of small deposits near Round Lake (north-west of Penguin Lake).

[16] The historical Kami Project resource estimates are based on the NI 43-101 technical report entitled “Feasibility Study of the Rose Deposit and Resource Estimate for the Mills Lake Deposit of the Kamistiatusset (Kami) Iron Ore Property, Labrador” prepared for Alderon Iron Ore Corp. by BBA Inc., Stantec and Watts, Griffis and McOuat Ltd. dated January 9, 2013 and having an effective date of December 17, 2012. The historical Kami Project reserve estimates are based on the NI 43-101 technical report entitled “Updated Feasibility Study of the Kamistiatusset (Kami) Iron Ore Property, Labrador” prepared for Alderon Iron Ore Corp. by BBA Inc., Gemtec Ltd., Watts, Griffis and McOuat Ltd. and Golder Associates Ltd. dated October 31, 2018 and having an effective date of September 26, 2018. Kami Project mineral resources include Kami Project mineral reserves. The historical mineral resources and reserves mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A qualified person or competent person has not done sufficient work to upgrade or classify the historical estimates as current "mineral resources", "mineral reserves" or "ore reserves", as such terms are defined in NI 43-101 and the JORC Code (2012 edition), and it is uncertain whether, following evaluation and/or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition). Champion is not treating the historical estimates as current mineral resources, mineral reserves or ore reserves. These reserves and resources are not material mining projects and are for properties adjacent to or near the Company's existing mining tenements and therefore the reports on these mineralisations have not been prepared in accordance with the JORC Code (2012 edition) and the ASX Listing Rules. As stated above, the Company has initiated work to revise the Kami Project's scope and update the feasibility study.

[17] The historical Harvey-Tuttle resource estimates are based on the NI 43-101 technical report entitled “Technical Report and Resource Estimate on the Harvey-Tuttle Property Québec, Canada” by P&E Mining Consultants Inc. dated April 13, 2011 and having an effective date of February 25, 2011. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A “qualified person”, as defined in NI 43-101, or a “competent person”, as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

[18] The historical Penguin Lake resource resource estimates are based on the NI 43-101 technical report entitled “43-101 Technical Report and Mineral Resource Estimate on the Penguin Lake Project (Round Lake Property), NTS 23C/01, Quebec” by Geochryst Geological Consulting and MRB & Associates Geological Consultants dated February 3, 2014 and having an effective date of May 1, 2013. The historical mineral resources mentioned are strictly historical in nature, are non-compliant with NI 43-101 and the JORC Code (2012 edition) and should therefore not be relied upon. A “qualified person”, as defined in NI 43-101, or a “competent person”, as defined in JORC Code (2012 edition), has not done sufficient work to upgrade or classify the historical estimates as current mineral resources or mineral reserves and Champion is not treating the historical estimates as current mineral resources or mineral reserves, and it is uncertain whether, following evaluation or further exploration work, the historical estimates will be able to be reported as mineral resources, mineral reserves or ore reserves in accordance with NI 43-101 or the JORC Code (2012 edition).

6. Material Changes

There were no material changes in the year ended March 31, 2022 other than depletion by the Bloom Lake Mine. Only changes applied on the current estimation are due to depletion and new drilling and production information used to calibrate the model.

7. Qualified Person and Data Verification

Mr. Vincent Blanchet, P. Eng., Engineer at Quebec Iron Ore ("QIO"), 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 report and has confirmed that the relevant information is an accurate representation of the available data and studies for the relevant projects, except Section 4 "Reserves and Resources — Bloom Lake as at March 31, 2022". 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 Phase II Feasibility Study. Mr. Blanchet is a member of the *Ordre des ingénieurs du Québec*.

Mr. Brandon Wilson, P. Eng., Engineer at QIO, 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 Section 4 "Reserves and Resources — Bloom Lake as at March 31, 2022" of this report. Mr. Wilson'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 Phase II Feasibility Study. Mr. Wilson is a member of the *Ordre des ingénieurs du Québec*.

06

FINANCIAL REPORT

DIRECTORS' DECLARATION

1) In the opinion of the Directors:

   a. The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:

      - giving a true and fair view of the Company's financial position as at March 31, 2022 and of its performance for the year ended on that date; and

      - complying with Australian Accounting Standards and the Corporations Act 2001.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the audited remuneration disclosure set out in the Remuneration Report of the Directors' Report for the year ended March 31, 2022 complies with section 300A of the Corporations Act 2001.

2) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended March 31, 2022.

3) The Company has included in the notes to the financial statements a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors

/s/ Michael O'Keeffe

Michael O'Keeffe, Executive Chairman

/s/ Andrew Love

Andrew Love, Lead Director

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young
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Auditor's independence declaration to the directors of Champion Iron Limited

As lead auditor for the audit of the financial report of Champion Iron Limited for the financial year ended 31 March 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Champion Iron Limited and the entities it controlled during the financial year.

Ernst + Young

Ernst & Young

Scott Nichols
Partner
Sydney, Australia
26 May 2022

Champion Iron Limited

(ACN: 119 770 142)

Consolidated Financial Statements
For the Years Ended March 31, 2022 and 2021

(Expressed in thousands of Canadian dollars)

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, which includes making significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the consolidated financial statements, selecting appropriate accounting principles and methods, and making decisions that affect the measurement of transactions.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

Ernst & Young, the independent auditors, has been appointed by the shareholders to audit the consolidated financial statements as at March 31, 2022 and 2021 and for the years then ended and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

/s/ David Cataford

David Cataford Chief Executive Officer

/s/ Vicky Munger

Vicky Munger Vice-President Financial Performance

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CHAMPION IRON LIMITED

Opinion

We have audited the consolidated financial statements of Champion Iron Limited and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of equity and consolidated statements of cash flows for the years ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years ended March 31, 2022 and 2021 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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Key Audit Matter	How our audit addresses the key audit matter
Revenue from iron ore sales	
The Group recognised revenues of $1,461 million from the sale of iron ore for the year ended March 31, 2022. The amount of revenue recognised is impacted by the Group's provisional pricing arrangements, where the final sales price is determined based on iron ore prices subsequent to a shipment arriving at the port of discharge. The Group initially recognises sales 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 final settlement is recorded as an adjustment to sales revenue. This was considered to be a key audit matter due to the estimation involved in re-measuring receivables on sales that remain provisional at period-end.	Our audit procedures included the following: ▸ Understood the Group's process relating to the initial recognition of revenue and the re-measurement of receivables. ▸ For a sample of provisional and final sales, agreed volumes, quality and pricing to shipping documentation and invoices and agreed cash receipts to bank statements. ▸ For the sample referred to above, assessed whether the timing of recognition of revenue was appropriate. ▸ Re-performed the measurement of receivables for which final pricing remained outstanding as at March 31, 2022, including assessing the appropriateness of forecast iron ore prices used in forming the estimate. ▸ Considered the adequacy of the disclosures included within the financial report.
Bloom Lake rehabilitation provision	
As a consequence of its operations, the Group incurs obligations to restore and rehabilitate the land and area impacted by mining. Rehabilitation activities are governed by a combination of legislative requirements and Group policies. At March 31, 2022, the consolidated statement of financial position included $86 million of mine rehabilitation and closure provisions in respect of Bloom Lake. Estimating the costs associated with these future activities requires considerable judgment in relation to factors such as when the rehabilitation will take place, the time period required for the rehabilitation	Our audit procedures included the following: ▸ Understood the Group's process relating to the determination, review and approval of rehabilitation provisions. ▸ Considered the qualifications, competence and objectivity of the Group's external and internal experts, who produced the surveys and cost estimates used in the determination of the provision. ▸ Tested the mathematical accuracy of the rehabilitation model to support the provision balance.

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to be effective, the extent and costs of rehabilitation activities, technological and regulatory changes, cost increases and changes in economic assumptions, including an appropriate rate to discount these future costs back to their net present value.

This was considered to be a key audit matter due to the significant judgments and assumptions involved in the calculation of these mine rehabilitation and closure provisions.

- Assessed the assumptions used by management in the rehabilitation model, including the area disturbed, estimated costs to rehabilitate the disturbed area, the life of mine and the discount rate applied.
- Evaluated the appropriateness of the accounting treatment applied to changes in the rehabilitation provision.
- Considered the adequacy of the disclosures included within the financial report.

Acquisition of the Kami Project

On April 1, 2021 the Group acquired the Kamistiatusset iron ore project ("Kami Project") for total consideration of $37 million.

The transaction was accounted for as an acquisition of assets. The total purchase price was allocated to the assets acquired based on their relative fair values as at the acquisition date.

The accounting for the acquisition was considered a key audit matter due to the significant judgments and assumptions involved in estimating the relative fair values of the assets acquired.

Our audit procedures included the following:

- Read the asset purchase agreement and all relevant contracts.
- Assessed the appropriateness of accounting for the transaction as an asset acquisition.
- With the assistance of our valuation specialists, assessed the fair values and recalculated the amounts assigned to the assets acquired based on their relative fair values.
- With the assistance of our taxation specialists, considered the tax implications of the acquisition.
- Considered the adequacy of the disclosures included within the financial report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's discussion and analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Scott Nichols.

Ernst + Young

Ernst & Young
Sydney, Australia
May 26, 2022

Building a better working world

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Champion Iron Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 March 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Revenue from Iron Ore Sales

Why significant	How our audit addressed the key audit matter
The Group recognised revenues of $1,461 million from the sale of iron ore for the year ended 31 March 2022. The amount of revenue recognised is impacted by the Group's provisional pricing arrangements, where the final sales price is determined based on iron ore prices subsequent to a shipment arriving at the port of discharge. The Group initially recognises sales 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 final settlement is recorded as an adjustment to sales revenue. This was considered to be a key audit matter due to the estimation involved in re-measuring receivables on sales that remain provisional at period-end.	Our audit procedures included the following: ▸ Understood the Group's process relating to the initial recognition of revenue and the re-measurement of receivables. ▸ For a sample of provisional and final sales, agreed volumes, quality and pricing to shipping documentation and invoices and agreed cash receipts to bank statements. ▸ For the sample referred to above, assessed whether the timing of recognition of revenue was appropriate. ▸ Re-performed the measurement of receivables for which final pricing remained outstanding as at 31 March 2022, including assessing the appropriateness of forecast iron ore prices used in forming the estimate. ▸ Considered the adequacy of the disclosures included within the financial report.

Bloom Lake Rehabilitation Provision

Why significant	How our audit addressed the key audit matter
As a consequence of its operations, the Group incurs obligations to restore and rehabilitate the land and area impacted by mining. Rehabilitation activities are governed by a combination of legislative requirements and Group policies. At 31 March 2022, the consolidated statement of financial position included $86 million of mine rehabilitation and closure provisions in respect of Bloom Lake. Estimating the costs associated with these future activities requires considerable judgment in relation to factors such as when the rehabilitation will take place, the time period required for the rehabilitation to be effective,	Our audit procedures included the following: ▸ Understood the Group's process relating to the determination, review and approval of rehabilitation provisions. ▸ Considered the qualifications, competence and objectivity of the Group's external and internal experts, who produced the surveys and cost estimates used in the determination of the provision. ▸ Tested the mathematical accuracy of the rehabilitation model to support the provision balance.

the extent and costs of rehabilitation activities, technological and regulatory changes, cost increases and changes in economic assumptions, including an appropriate rate to discount these future costs back to their net present value. This was considered to be a key audit matter due to the significant judgments and assumptions involved in the calculation of these mine rehabilitation and closure provisions.	▸ Assessed the assumptions used by management in the rehabilitation model, including the area disturbed, estimated costs to rehabilitate the disturbed area, the life of mine and the discount rate applied. ▸ Evaluated the appropriateness of the accounting treatment applied to changes in the rehabilitation provision. ▸ Considered the adequacy of the disclosures included within the financial report.

Acquisition of the Kami Project

Why significant	How our audit addressed the key audit matter
On 1 April 2021 the Group acquired the Kamistiatusset iron ore project ("Kami Project") for total consideration of $37 million. The transaction was accounted for as an acquisition of assets. The total purchase price was allocated to the assets acquired based on their relative fair values as at the acquisition date. The accounting for the acquisition was considered a key audit matter due to the significant judgments and assumptions involved in estimating the relative fair values of the assets acquired.	Our audit procedures included the following: ▸ Read the asset purchase agreement and all relevant contracts. ▸ Assessed the appropriateness of accounting for the transaction as an asset acquisition. ▸ With the assistance of our valuation specialists, assessed the fair values and recalculated the amounts assigned to the assets acquired based on their relative fair values. ▸ With the assistance of our taxation specialists, considered the tax implications of the acquisition. ▸ Considered the adequacy of the disclosures included within the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 March 2022.

In our opinion, the Remuneration Report of Champion Iron Limited for the year ended 31 March 2022, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Scott Nichols
Partner
Sydney, Australia
26 May 2022

Champion Iron Limited

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars - audited)

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Current			
Cash and cash equivalents	**3**	**321,892**	609,316
Short-term investments	**4**	**30,777**	27,200
Receivables	**5**	**124,137**	98,755
Prepaid expenses and advances		**20,272**	5,454
Inventories	**6**	**98,861**	66,814
		595,939	807,539
Non-current			
Restricted cash	**14**	**43,736**	44,012
Non-current investments	**7**	**14,158**	9,704
Advance payments	**9**	**149,012**	48,303
Intangible assets	**10**	**8,545**	6,257
Property, plant and equipment	**11**	**1,070,030**	504,985
Exploration and evaluation assets	**12**	**107,810**	76,106
Total assets		**1,989,230**	1,496,906
Liabilities			
Current			
Accounts payable and other	**13, 15**	**192,151**	102,225
Income and mining taxes payable	**24**	**22,744**	191,542
Current portion of long-term debt	**14**	**71,995**	—
		286,890	293,767
Non-current			
Long-term debt	**14**	**251,365**	214,951
Deferred grant	**14**	**8,727**	—
Lease liabilities	**15**	**51,689**	1,401
Rehabilitation obligation	**16**	**86,021**	45,074
Other long-term liabilities	**17**	**17,848**	4,163
Deferred tax liabilities	**24**	**124,992**	84,533
Total liabilities		**827,532**	643,889
Shareholders' equity			
Share capital	**17**	**398,635**	515,970
Contributed surplus		**21,339**	22,309
Warrants	**17**	**22,473**	29,973
Foreign currency translation reserve		**539**	530
Retained earnings		**718,712**	284,235
Total equity		**1,161,698**	853,017
Total liabilities and equity		**1,989,230**	1,496,906
Commitments and contingencies	**29**		
Subsequent events	**34**		

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

Approved on May 26, 2022 on behalf of the directors

/s/ Michael O'Keeffe
Executive Chairman

/s/ Andrew Love
Lead Director

Champion Iron Limited

Consolidated Statements of Income

(Expressed in thousands of Canadian dollars, except per share amounts - audited)

	Notes	Year Ended March 31, 2022	2021
Revenues	**18**	**1,460,806**	1,281,815
Cost of sales	**19**	**(458,678)**	(428,882)
Depreciation		**(43,929)**	(35,177)
Gross profit		**958,199**	817,756
Other expenses			
Share-based payments	**17**	**(12,818)**	(3,983)
General and administrative expenses	**20**	**(31,769)**	(23,594)
Sustainability and other community expenses	**21**	**(16,983)**	(14,858)
Product research and development expenses		**(5,549)**	(1,258)
Bloom Lake Phase II start-up costs		**(17,752)**	—
Operating income		**873,328**	774,063
Net finance costs	**22**	**(11,045)**	(22,428)
Other income	**23**	**8,560**	10,237
Income before income and mining taxes		**870,843**	761,872
Current income and mining taxes	**24**	**(306,480)**	(280,855)
Deferred income and mining taxes	**24**	**(41,778)**	(16,592)
Net income		**522,585**	464,425
Earnings per share			
Basic	**25**	**1.03**	0.97
Diluted	**25**	**1.00**	0.92
Weighted average number of ordinary shares outstanding			
Basic		**507,591,000**	478,639,000
Diluted		**524,108,000**	506,323,000

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

Champion Iron Limited

Consolidated Statements of Comprehensive Income

(Expressed in thousands of Canadian dollars - audited)

	Year Ended March 31,	
	2022	2021
Net income	**522,585**	464,425
Other comprehensive income		
Item that may be reclassified subsequently to the consolidated statements of income:		
Net movement in foreign currency translation reserve	**9**	149
Total other comprehensive income	**9**	149
Total comprehensive income	**522,594**	464,574

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

Champion Iron Limited

Consolidated Statements of Equity

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

		Attributable to Champion Shareholders								
		Share Capital								
		Ordinary Shares		Preferred Shares						
	Notes	**Shares[1]**	**$**	**Shares**	**$**	**Contributed Surplus**	**Warrants**	**Foreign Currency Translation**	**Retained Earnings (Accumulated Deficit)**	**Total**
Balance - March 31, 2021		**502,116,000**	**356,463**	**185,000,000**	**159,507**	**22,309**	**29,973**	**530**	**284,235**	**853,017**
Net income		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**522,585**	**522,585**
Other comprehensive income		**—**	**—**	**—**	**—**	**—**	**—**	**9**	**—**	**9**
Total comprehensive income		**—**	**—**	**—**	**—**	**—**	**—**	**9**	**522,585**	**522,594**
Exercise of warrants	**17**	**10,000,000**	**18,750**			**—**	**(7,500)**	**—**	**—**	**11,250**
Exercise of stock options	**17**	**220,000**	**1,205**	**—**	**—**	**(402)**	**—**	**—**	**—**	**803**
Release of restricted share units	**17**	**76,000**	**167**	**—**	**—**	**(358)**	**—**	**—**	**(252)**	**(443)**
Issuance of common shares for the acquisition of the Kami Project[2]	**8, 17**	**4,200,000**	**22,050**	**—**	**—**	**—**	**—**	**—**	**—**	**22,050**
Redemption of preferred shares	**17**	**—**	**—**	**(185,000,000)**	**(159,507)**	**—**	**—**	**—**	**(25,493)**	**(185,000)**
Dividends	**17**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(57,093)**	**(57,093)**
Dividend equivalents	**17**	**—**	**—**	**—**	**—**	**77**	**—**	**—**	**(77)**	**—**
Share-based payments, net of tax of $1,319	**17**	**—**	**—**	**—**	**—**	**(287)**	**—**	**—**	**(5,193)**	**(5,480)**
Balance - March 31, 2022		**516,612,000**	**398,635**	**—**	**—**	**21,339**	**22,473**	**539**	**718,712**	**1,161,698**

	Notes	Ordinary Shares	$	Preferred Shares	$	Contributed Surplus	Warrants	Foreign Currency Translation	Retained Earnings (Accumulated Deficit)	Total
Balance - March 31, 2020		467,689,000	272,049	185,000,000	159,507	21,100	75,336	381	(151,751)	376,622
Net income		—	—	—	—	—	—	—	464,425	464,425
Other comprehensive income		—	—	—	—	—	—	149	—	149
Total comprehensive income		—	—	—	—	—	—	149	464,425	464,574
Exercise of warrants	**17**	27,733,000	76,563	—	—	—	(45,363)	—	—	31,200
Exercise of stock options	**17**	6,694,000	7,851	—	—	(2,774)	—	—	—	5,077
Dividends on preferred shares	**17**	—	—	—	—	—	—	—	(28,439)	(28,439)
Share-based payments	**17**	—	—	—	—	3,983	—	—	—	3,983
Balance - March 31, 2021		502,116,000	356,463	185,000,000	159,507	22,309	29,973	530	284,235	853,017

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

1 All issued ordinary shares are fully paid and have no par value.
2 Kamistiatusset iron ore project (the "Kami Project").

Champion Iron Limited

Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian dollars - audited)

	Notes	Year Ended March 31, 2022	2021
Cash provided by (used in)			
Operating Activities			
Net income		**522,585**	464,425
Adjustments for non-cash items			
Depreciation	**32**	**43,929**	35,177
Share-based payments	**17**	**12,818**	3,983
Unrealized loss on derivative liabilities	**23, 26**	**176**	—
Change in fair value of non-current investments and related gain on disposal	**23**	**(9,554)**	(10,237)
Unrealized foreign exchange loss		**524**	5,190
Deferred income and mining taxes	**24**	**41,778**	16,592
Other		**2,421**	3,967
		614,677	519,097
Changes in non-cash operating working capital	**32**	**(144,242)**	105,322
Net cash flow from operating activities		**470,435**	624,419
Investing Activities			
Net acquisition of short-term investments	**4**	**(3,598)**	(10,045)
Increase in restricted cash	**14**	**—**	(44,972)
Acquisition of non-current investments	**7**	**(4,434)**	(943)
Disposal of non-current investments	**7**	**9,468**	3,022
Acquisition of the Kami Project	**8**	**(15,444)**	—
Increase in non-current advance payments	**9**	**(97,067)**	(15,211)
Purchase of intangible assets	**10**	**(1,357)**	(1,705)
Purchase of property, plant and equipment	**11, 32**	**(519,322)**	(174,650)
Investment in exploration and evaluation assets	**12**	**(3,711)**	(581)
Net cash flow used in investing activities		**(635,465)**	(245,085)
Financing Activities			
Issuance of long-term debt	**14**	**120,874**	—
Repayment of long-term debt	**14, 22**	**(2,116)**	(25,262)
Transaction costs on long-term debt	**14**	**(4,373)**	(7,888)
Exercise of warrants	**17**	**11,250**	31,200
Exercise of stock options	**17**	**803**	5,077
Withholding taxes paid pursuant to the settlement of RSUs	**17**	**(443)**	—
Redemption of preferred shares	**17**	**(185,000)**	—
Dividends paid on preferred and ordinary shares	**17**	**(57,093)**	(28,439)
Payment of lease liabilities	**15**	**(2,043)**	(988)
Net cash flow used in financing activities		**(118,141)**	(26,300)
Net increase (decrease) in cash and cash equivalents		**(283,171)**	353,034
Cash and cash equivalents, beginning of the year		**609,316**	281,363
Effects of exchange rate changes on cash and cash equivalents		**(4,253)**	(25,081)
Cash and cash equivalents, end of the year		**321,892**	609,316
Interest paid		**12,248**	10,052
Income and mining taxes paid		**475,278**	147,074

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

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

1. Description of Business

Champion Iron Limited ("Champion" or the "Company") was incorporated under the laws of Australia in 2006 and is 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 principle administrative office is located on 1100 René-Lévesque Blvd. West. Suite 610, Montreal, QC, H3B 4N4, Canada.

Champion Iron Limited, through its 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 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The Bloom Lake Phase I and Phase II plants have a combined nameplate capacity of 15 million tonnes per annum ("Mtpa") and produce a low contaminant high-grade 66.2% Fe iron ore concentrate with the proven ability to produce a 67.5% Fe direct reduction quality concentrate. 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 sells its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to the Bloom Lake Mining Complex, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatusset Project (refer to note 8 - Acquisition of the Kami Project) located a few kilometres south-east of Bloom Lake, and the Consolidated Fire Lake North iron ore project, located approximately 40 km south of Bloom Lake.

2. Summary of Significant Accounting Policies and Future Accounting Changes

A. Basis of preparation

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

The financial report is a general purpose financial report which has been prepared for a for-profit enterprise in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards ("AAS") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

These consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and liabilities as well as derivatives which have been measured 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, 2022.

B. Statement of compliance

These audited consolidated financial statements have been prepared in accordance with AAS and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company has consistently applied the accounting policies used in the preparation of its IFRS consolidated financial statements with the exception of those arising from new accounting standards issued and adopted by the Company as described in this note. These consolidated financial statements were approved and authorized for issue by the Board of Directors (the "Board") on May 26, 2022.

C. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Basis of consolidation and functional currency
The consolidated financial statements include the accounts of the Company and its significant subsidiaries listed below:

	Ownership Percentage	Country of Incorporation	Functional Currency
Champion Innovations Limited	100.0%	Canada	Canadian dollars
Champion Iron Mines Limited	100.0%	Canada	Canadian dollars
Québec Iron Ore Inc.	100.0%	Canada	Canadian dollars
12364042 Canada Inc.	100.0%	Canada	Canadian dollars
Lac Bloom Railcars Corporation Inc.	100.0%	Canada	United States ("U.S.") dollars

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Consolidation

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. All intra-group assets and liabilities, revenues, expenses and cash flows relating to intra-group transactions are eliminated.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, and which has been identified as the management team that makes strategic decisions.

Cash and cash equivalents

Cash and cash equivalents consist of cash in bank, cash held in trust and short-term deposits with a maturity of less than three months.

Inventories

Inventories of ore and concentrate are measured and valued at the lower of average production cost and net realizable value. Net realizable value is the estimated selling price of the concentrates in the ordinary course of business based on the prevailing metal prices on the reporting date, less estimated costs to complete production and to bring concentrates to sale. Production costs that are capitalized as inventory include the costs directly related to bringing the inventory to its current condition and location, such as materials, labour and manufacturing overhead costs, based on normal capacity of the production facilities.

Supplies and spare parts are valued at the lower of cost or net realizable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence.

Property, plant and equipment

Property, plant and equipment are carried at historical cost less any accumulated depreciation and impairment losses. Depreciation is calculated on the following basis over the estimated useful lives of property, plant and equipment:

Mining and processing equipment	Straight-line over 2 to 15 years or units-of-production basis over the recoverable reserves
Locomotives, railcars and rails	Straight-line over 23 to 24 years or units-of-production basis over the recoverable reserves
Tailings dykes	Straight-line over 3 years or units-of-production basis over the recoverable reserves
Mining development and stripping asset	Straight-line over 5 years or units-of-production basis over the recoverable reserves
Asset rehabilitation obligation and other	Straight-line over 3 to 24 years or units-of-production basis over the recoverable reserves
Right-of-use assets	Straight-line over 2 to 23 years or units-of-production basis over the recoverable reserves

Acquisition of a group of assets

The Company determines whether it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. If the set of activities do not constitute a business, the Company accounts for the acquisition of a group of assets including intangible assets and liabilities assumed based on their relative fair values at the date of acquisition. The cost of acquisition, including directly attributable acquisition-related costs, is measured as the aggregate of the consideration transferred measured at the acquisition date fair value.

If the acquisition of a group of assets comprises a variable contingent consideration that varies according to future activities such as future production, then the contingent consideration is expensed when incurred. Contingent considerations related to the initial value of the assets are capitalized when the contingency is crystallized.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately are carried at cost. Intangible assets acquired through an acquisition of a group of assets are recognized initially at their fair value at the acquisition date. Subsequently, intangible assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on finite-life intangible assets is recognized on a straight-line basis over their estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The estimated useful life and depreciation method are reviewed at least at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis. Depreciation is calculated on the following basis over the economic lives of the intangible assets with a finite useful life:

Port access	Straight-line over 20 years
Software	Straight-line over 3 years

Product research and development expenses

Product research and development expenses are recognized in profit or loss as incurred, except if the expenditures are related to the development and setup of new products, processes and systems and satisfy generally accepted conditions for capitalization, including reasonable assurance that they will be recovered. Capitalized development expenditures are measured at cost less accumulated depreciation, using the straight-line method, and accumulated impairment losses.

Bloom Lake Phase II start-up costs

Start-up costs are pre-commercial expenses related to Bloom Lake Phase II expansion project ("Phase II") and include mainly costs related to staff mobilization and training. Start-up costs are expensed as incurred.

Production stripping (waste removal) costs

Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a non-current asset, referred to as a production stripping asset, if the following criteria are met:

a) Future economic benefits (being improved access to the ore body) are probable;
b) The component of the ore body for which access will be improved can be accurately identified; and
c) The costs associated with the improved access can be reliably measured.

If any of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs in cost of sales as they are incurred.

The stripping ratio varies depending on the stage of the mine life. All costs related to a stripping ratio over the life of mine ratio are capitalized and all costs related to a stripping ratio lower than the life of mine ratio results in amortization of the stripping activity asset. The capitalized expenses are revalued on a monthly basis. Stripping costs incurred in the pre-production period have also been capitalized using the same methodology. The life of mine stripping ratio for Bloom Lake Phase I was initially estimated at 0.5 based on the National Instrument 43-101 Technical report on the Bloom Lake mine re-start feasibility study (the "Feasibility Study"). As part of the mineral reserves review of Phase II, on December 15, 2021, the Company revised the stripping ratio at a weighted average of 0.99 for two separate open-pits concurrent with the commencement of Phase II operations. Refer to the Significant accounting judgements, estimates and assumptions section below.

Assets under construction

i) Property, plant and equipment in the course of construction or use for its own purposes

The cost comprises their purchase price and any costs directly attributable to bringing them into working condition for their intended use. Assets under construction are carried at cost less any recognized impairment loss and are not subject to depreciation. Assets under construction are classified to the appropriate category of property, plant and equipment and the depreciation of these assets commences when the assets are ready for their intended use.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Assets under construction (continued)

ii) Mineral properties under development

Costs incurred subsequent to the establishment of the technical feasibility and commercial viability of the extraction of resources from a particular mineral property are capitalized. Capitalized costs, including mineral property acquisition costs and certain mine development and construction costs, are not depreciated until the related mining property has reached a level of operating capacity pre-determined by management, often referred to "as commercial production" or expected capacity. The date of transition from construction to commercial production or expected capacity accounting is based on both qualitative and quantitative criteria such as substantial physical project completion, sustained level of mining, sustained level of processing activity, and passage of a reasonable period of time. Upon completion of mine construction activities (based on the determination of commercial production or expected capacity), costs are removed from assets under development and incorporated into the appropriate categories of property, plant and equipment and supplies inventories.

Borrowing costs

Borrowing costs attributable to the acquisition, development or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalized to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interests on long-term debt are capitalized in assets under construction until substantially all the activities necessary to prepare the asset for its intended use are complete. Otherwise, borrowing costs are expensed as incurred in profit or loss.

Exploration and evaluation assets

Exploration and evaluation assets, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation assets. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Mining tax credits earned in respect to costs incurred in Québec are recorded as a reduction to exploration and evaluation assets when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation assets do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets are first tested for impairment and then reclassified to property, plant and equipment and/or intangibles or expensed to the consolidated statements of income to the extent of any impairment.

Impairment of non-financial assets

The Company's non-financial assets, such as property, plant and equipment, intangible assets and exploration and evaluation assets are reviewed for indicators of impairment at each reporting date and upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized in the consolidated statements of income when the carrying amount of an asset, or its cash-generating unit ("CGU"), exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected cash flows of the relevant assets or CGUs). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. However, the impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Long-term debt
The long-term debt are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method, with interest expense recognized on an effective yield basis.

Rehabilitation obligation
The Company records a rehabilitation obligation for legal and constructive asset retirement obligations. Rehabilitation obligation is recorded for an amount that represent the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the Company will adjust the amount of the provision which will be the present value of the expenditures expected to be required to settle the obligation, discounted by the number of years between the reporting date and the rehabilitation date, using a discount rate that reflects current market assessments of the time value and risks at the reporting period. The unwinding of the discount is recognized as finance cost.

Share capital and issuance costs
Share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Proceeds from issuance of share capital are allocated between shares capital and ordinary share purchase warrants by calculating the fair value of the warrants using the Black-Scholes option pricing model and recording the share capital portion using the residual method as the difference between the fair value of the warrants and the proceeds received. Issuance costs are allocated pro rata between the share capital and warrants and netted against each component.

Dividend
The Company recognizes a liability to pay a dividend when the distribution is authorized by the Board, and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

Foreign currency transactions
Foreign currency transactions are translated into the functional currency of the Company's entities using the exchange rates prevailing at the dates of the transactions or an appropriate average exchange rate. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in the consolidated statements of income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Functional and presentation currency
Items included in the financial statements of each consolidated entity of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements of entities that have a functional currency different from the Company are translated into Canadian dollars as follows: assets and liabilities are translated at the closing rate at the reporting date, and income and expenses are translated at the average rate during an appropriate year. Equity transactions are translated using the exchange rate at the date of the transaction.

Exchange differences relating to the translation of the results and net assets of the Company's operations from their functional currency to the Company's presentation currency are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve with the exception of those balances that are within the scope of AASB 9 (IFRS 9) Financial Instruments.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Share-based payments

i) Stock option plan

The Company offers a stock option plan for its directors and employees. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based payments and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based payments associated with the unvested portion of the stock options forfeited is reversed.

ii) Other awards

As part of the remuneration plan, the Company offers performance share unit ("PSU") awards, restricted share unit ("RSU") awards and deferred share unit ("DSU") awards. Recipient of these share-based awards are entitled to receive a dividend equivalent.

For equity-settled share-based awards, share-based payments are measured at fair value and the awards expected to vest are accrued on a straight-line basis over the vesting period with a corresponding increase in contributed surplus. The grant date fair value of equity-settled share-based awards is determined using the share price of the Company on the TSX at the grant date. At a dividend record date, if any, the dividend equivalent is recognized directly as an increase in contributed surplus with a corresponding amount in retained earnings based on the vesting period, measured at the grant date fair value of the dividend equivalent.

Cash-settled share-based payments are measured at fair value at the grant date with a corresponding liability. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in net income. The grant date fair value of the compensation is measured based on the closing share price of the Company on the TSX adjusted to take into account the terms and conditions upon which the shares were granted, if any, and the awards that are expected to vest. At a dividend record date, if any, the dividend equivalent is recognized as a liability for cash-settled awards with a corresponding amount as share-based payments in profit or loss.

When terms of an equity-settled share-based award are modified to be being cash-settled award, at the date of modification, a liability is recognized based on the fair value of the cash–settled award as at that date and the extent to which the vesting period has expired with a corresponding decrease in contributed surplus. Subsequently, the fair value of the liability is remeasured at the end of each reporting period with any changes in fair value recognized in net income.

iii) Share-based payment transactions

The fair value of share-based payment transactions to non-employees and other share-based payments are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recorded as a deferred credit and recognized as income or recorded against the expenditure, as the related costs for which it is intended to compensate are expensed. When the grant relates to an asset, it is deducted from the cost of the related asset. The Company presents grants received related to an expense item within operating activities whereas grants received related to an asset within the investing activities against the purchase of property, plant and equipment in the consolidated statements of cash flows.

Interest-bearing loans from government at a below-market interest rate are treated as government grants and are recognized at fair value measured at the present value of all future cash flows discounted using the prevailing market rate of interest for similar instruments. The difference between the fair value of the loan and the consideration received is recognized as a government grant. After initial recognition, the interest-bearing loan is subsequently measured at amortized cost using the effective interest rate method. The government grant is amortized over the estimated useful life of the assets financed by the interest-bearing loan.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Income tax

Income tax expense comprises current and deferred taxes. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Derivative financial instruments

Derivative financial instruments are classified as fair value through profit and loss ("FVTPL"), unless they are designated as hedging instruments for which hedge accounting is applied. The Company has no hedging instrument. Changes in the fair value of derivative financial instruments not designated in a hedging relationship are recognized in other income (expense), based on the nature of the exposure.

Derivative financial instruments include forward foreign exchange contracts used to manage the Company's exposure to foreign exchange.

Derivative financial instruments also include derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contracts. Embedded derivatives of the Corporation include prepayment options and subscription right to purchase equity instruments. Prepayment options that are not closely related to the host contract are measured at fair value, with the initial value recognized as an increase of the related long-term debt and amortized to income using the effective interest method. Subscription right to purchase equity instruments are recorded as a derivative asset when the market value of the underlying equity instrument becomes higher than the Company's subscription price. Subsequent changes in fair value of embedded derivatives are recorded either in net finance costs or other income (expense), depending on the nature of the derivative.

Embedded derivatives for which economic characteristics and risks are closely related to the host contracts are not accounted as a separate derivative. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Financial assets

i) Initial recognition

Financial assets are either classified and measured at amortized cost, FVTPL or fair value through other comprehensive income ("FVOCI").

In order for financial assets to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Financial assets (continued)

ii) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, e.g., derivative instruments, financial assets designated upon initial recognition at FVTPL, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the solely payments of principal and interest test. Financial assets at FVTPL include the Company's trade receivables, convertible loans and equity investments.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the solely payments of principal and interest test are required to be classified and measured at FVTPL, irrespective of the business model. Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in profit or loss.

The Company’s trade receivables subject to provisional pricing relate to sales contracts where the selling price is determined after delivery to the customer, based on the market price at the relevant quotation period stipulated in the contract. The embedded derivative related to this exposure to the commodity price causes such trade receivables to fail the solely payments of principal and interest test. As a result, these receivables are measured at FVTPL in its entirety from the date of recognition of the corresponding sale, with subsequent movements being recognized as provisional pricing adjustments within revenues in the consolidated statements of income.

The Company's convertible loans and equity investments are also measured at FVTPL based on the underlying entity’s fair value with subsequent movements being recognized in the consolidated statements of income .

iii) Financial assets at amortized cost

Financial assets at amortized cost include the Company's cash and cash equivalents, short-term investments, other receivables and restricted cash which are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Interest received is recognized within net finance cost in the statements of income. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

iv) Impairment of financial assets

The Company recognizes an allowance for expected credit loss (“ECL”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset’s lifetime ECL at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortized cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment including forward-looking information.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Financial assets (continued)

iv) Impairment of financial assets (continued)

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or as amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and payables, net of directly attributable transaction costs.

ii) Loans and accounts payable and other at amortized cost

After initial recognition, interest-bearing loans and borrowings as well as accounts payable and other are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statements of income when the liabilities are derecognized, as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of income.

iii) Cash-settled share-based payment liability at FVTPL

After grant date, changes in fair value of cash-settled share-based payment arrangements are recognized in the consolidated statements of income based on the Company's share price at each reporting date.

iv) Derecognition

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

Leases

Leases are recognized as a right-of-use asset in property, plant and equipment and a corresponding liability in lease liabilities at the date at which the leased asset is available for use by the Company. The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives;
- any initial direct costs incurred by the Company; and
- restoration costs.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation. The right-of use asset is depreciated either on a straight-line basis over the lease term, taking into account any extensions that are likely to be exercised (or longer if a purchase option is reasonably certain to be exercised) or the units-of-production basis over the recoverable reserves. Right-of-use assets are subject to impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

C. Significant accounting policies (continued)

Leases (continued)

The lease payments are discounted using the Company’s incremental borrowing rate unless the implicit rate in the lease contract is readily determinable in which case the latter is used. Each lease payment is allocated between the repayment of the principal portion of the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After the commencement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Payments associated with short-term leases, leases of low value assets and certain variable lease payments are recognized on a straight-line basis as an expense in profit or loss.

At a full lease termination, the Company derecognizes the right-of-asset and lease liability. A gain or loss for any difference between the carrying amounts of the right-of-use asset and lease liability as of the date of termination is recognized under other income (expense) in the consolidated statements of income.

D. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with 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 assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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.

Uncertainty due to COVID-19

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Since then, several COVID-19 variants were reported and rapidly increased the proportion of COVID-19 cases globally. The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures required in the future to attempt to reduce the spread of COVID-19.

In the current environment, the judgments, estimates and assumptions are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of COVID-19 on various financial accounts and note disclosures and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends but is not limited to the Company’s valuation of the long-term assets through the assessment for impairment. While the Company has considered the impact of COVID-19 on these financial accounts, actual results may differ materially from these estimates.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

D. Significant accounting judgements, estimates and assumptions (continued)

Estimates of mineral reserves and resources

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves and mineral resources based on information compiled by qualified persons relating to geological and technical data, on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Recovery of reserves is based on factors such as estimated future prices, expected future production and production costs and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. Such an analysis requires complex geological judgements and estimates. Estimates of mineral reserves and resources have an impact on the following items:

- Capitalized stripping costs recognized as inventory or charged to profit or loss. On December 15, 2021, the Company revised its stripping ratio. Refer to note 11 - Property, Plant and Equipment;
- Depreciation charge as changes in estimates of mineral reserves and resources may affect the useful life or units-of-production method calculation for depreciation;
- Rehabilitation obligation as changes in estimates may affect the expected date to settle the obligation; and
- Carrying value of non-financial assets as changes in estimates may affected estimated future cash flows and therefore impact impairment analysis.

The Company expects that, over time, its reserve and resource estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels, and may be affected by changes in iron ore prices.

Judgement on what defines separate open-pits

Where a mine operates several open pits that are regarded as separate operations for the purpose of mine planning, initial stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping of the second and subsequent pits is considered to be production phase stripping. There is judgment as to whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances.

The following factors would point towards the initial stripping costs for the individual pits being accounted for separately:
– If mining of the second and subsequent pits is conducted consecutively following that of the first pit, rather than concurrently;
– If separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset;
– If the pits are operated as separate units in terms of mine planning and the sequencing of overburden removal and ore mining, rather than as an integrated unit; and
– If the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

If the designs of the second and subsequent pits are significantly influenced by opportunities to optimize output from several pits combined, including the co-treatment or blending of the output from the pits, then this would point to treatment as an integrated operation for the purposes of accounting for initial stripping costs. The relative importance of each of the above factors is considered in each case. The Company operates three open-pits at the Bloom Lake Mine. The Company assessed that two open-pits are integrated. As such, the Company uses two stripping ratios.

Depreciation of non-current assets

Property, plant and equipment is depreciated over its useful life, or over the remaining life of the mine if that is shorter and there is no reasonable alternative use for the asset by the Company. The useful lives of the major assets of a CGU are often dependent on the life of the mine to which they relate. Where this is the case, the lives of mining properties, plant, concentrators and other long-lived processing equipment are generally limited to the expected life of mine, which is estimated on the basis of the mining plan. Where the major assets of a CGU are not dependent on the life of mine, management applies judgment in estimating the remaining service potential of long-lived assets.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

D. Significant accounting judgements, estimates and assumptions (continued)

Judgements and estimates on recovery of exploration and evaluation assets

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the period for which the Company has the right to explore in a specific area, actual and planned expenditures, and results of exploration. Management judgment is also applied in determining whether an economically-viable operation can be established or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, significant negative industry or economic trends, CGUs, the lowest levels of exploration and evaluation assets grouping, for which there are separately identifiable cash flows, generally on the basis of areas of geological interest. Refer to note 12 - Exploration and Evaluation Assets.

Estimate of rehabilitation obligation

The rehabilitation obligation is based on the best estimate of the expenditures required to settle the present obligation at the end of the reporting period, including but not limited to dismantling and removing infrastructure and operating facilities as well as restoring water pond and vegetating affected areas. The estimate of the expenditure required to settle the present obligation is the amount that the company would rationally pay to settle obligation at the end of the reporting period or to transfer it to a third party. The rehabilitation obligation has been determined based on the Company's best internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed at each reporting period to take into account any material changes to the assumptions, including regulatory changes and cost increases associated with site areas used for tailings and waste. Actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the time. Furthermore, the timing of rehabilitation is likely to depend on when the Bloom Lake ceases to produce at economically viable rates. This, in turn, will depend upon future iron ore prices, which are inherently uncertain. A rehabilitation obligations study was completed in the year ended March 31, 2022. Refer to note 16 - Rehabilitation Obligation.

Estimates on revenue recognition

The Company recognizes revenue from sales of concentrate when control of the concentrate passes to the customer, which occurs upon loading. Incoterm used by the Company is Free On Board, where the Company has no responsibility for freight or insurance once control of the concentrate has passed at the loading port. Thus, the performance obligation is satisfied at a point in time. At the time the concentrate is loaded, the Company has transferred the significant risks and rewards relating to the customer, the legal title and the Company has physically transferred the concentrate.

Revenue is recognized at an amount that reflects the consideration to which the Company received or expects to receive in exchange for the goods transferred and are recorded net of sale taxes to the extent that the revenue can be reliably measured.

For sales contracts structured on a provisional pricing basis, the sales price is determined provisionally at the date of sale, with the final pricing determined at a mutually agreed date (generally between 2 to 3 months from the date of the sale), at a quoted market price at that time. This provisional pricing arrangement fails the solely payments of principal and interest test and the receivable is recorded at fair value based on the forward iron concentrate prices for the relevant contract period. All subsequent mark-to-market adjustments are recorded in sales revenue up to the date of final settlement and identified as provisional pricing adjustments.

Price changes for shipments awaiting final pricing at year-end could have a material effect on future revenues. As at March 31, 2022, there was US$106,708,000 (March 31, 2021: US$159,938,000) in revenues that were awaiting final pricing.

Estimates of lease liabilities and right-of-use assets

The application of IFRS 16, Leases, requires the Company to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include determining contracts in scope of IFRS 16, determining the contract term, determining the interest rate used for discounting future cash flows, assessing purchase option and separating components of a contract. The lease term determined by the Company generally comprises a non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The same term is applied as economic useful life of right-of-use assets. Lease payments include the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The separation of components of a contract requires estimates and judgments for allocating the consideration in the contract to each lease component and non-lease component. Refer to notes 11 - Property, Plant and Equipment and 15 - Lease Liabilities.

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

E. New accounting standards issued and adopted by the Company

The Company adopted the following new standard on April 1, 2021:

Interest Rate Benchmark Reform - Phase 2, which amends AASB 9 (IFRS 9), Financial Instruments ("IFRS 9"), AASB 139 (IAS 39), Financial Instruments: Recognition and Measurement ("IAS 39"), AASB 7 (IFRS 7), Financial Instruments: Disclosures ("IFRS 7") and AASB 16 (IFRS 16), Leases ("IFRS 16")

The amendments relate to: i) changes to contractual cash flows - an entity will not have to derecognize or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; ii) hedge accounting - an entity will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and iii) disclosures - an entity will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The adoption of the amendment did not have a significant impact on the Company's consolidated financial statements for the year ended March 31, 2022.

F. New accounting standards issued but not yet in effect

The following amendments to a standard have been issued and are applicable to the Company for its annual periods beginning on April 1, 2022, with an earlier application permitted:

Amendments to AASB 101 (IAS 1), Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1 change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments to IAS 1 are made to explain how an entity can identify a material accounting policy.

Amendments to AASB 108 (IAS 8), Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8 replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

Amendments to AASB 3 (IFRS 3), Business Combinations ("IFRS 3")

Amendments to IFRS 3 are designed to: i) update its reference to the 2018 Conceptual Framework instead of the 1989 Framework; ii) add a requirement that, for obligations within the scope of AASB 137 (IAS 37), *Provisions, Contingent Liabilities and Contingent Assets*, (“IAS 37”) an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of AASB Interpretation 21 (IFRIC 21), *Levies*, (“IFRIC 21”) the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date; and iii) add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Amendments to AASB 116 (IAS 16), Property, Plant and Equipment ("IAS 16")

Amendments to IAS 16 prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to AASB 137 (IAS 37), Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

Amendments to IAS 37 specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to AASB 9 (IFRS 9), Financial Instruments ("IFRS 9")

Amendments to IFRS 9 clarify which fees an entity includes when it applies the “10 per cent” test in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

2. Summary of Significant Accounting Policies and Future Accounting Changes (continued)

F. New accounting standards issued but not yet in effect (continued)

Amendments to AASB 16 (IFRS 16), Leases ("IFRS 16")

Amendments to IFRS 16 remove the illustration of the reimbursement of leasehold improvements included in the Illustrative Example 13 of IFRS 16 since it does not explain clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16.

The following amendments to a standard have been issued and are applicable to the Company for its annual periods beginning on April 1, 2023 and thereafter, with an earlier application permitted:

Amendments to AASB 101 (IAS 1), Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1 clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity.

Amendments to AASB 112 (IAS 12), Income Taxes ("IAS 12")

The amendments specify how entities should account for deferred income taxes on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognizing deferred income taxes when they recognize assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations and that entities are required to recognize deferred income taxes on such transactions.

The Company is currently evaluating the impacts of adopting these amendments on its financial statements.

3. Cash and Cash Equivalents

As at March 31, 2022, cash and cash equivalents totalling $321,892,000 (March 31, 2021: $609,316,000) consisted of cash in bank and short-term deposits. As at March 31, 2022, the Company’s cash balance is comprised of $129,840,000 U.S. dollars ($162,248,000), $159,426,000 Canadian dollars and $233,000 Australian dollars ($218,000).

4. Short-Term Investments

As at March 31, 2022, short-term investments totalled $30,777,000 (March 31, 2021: $27,200,000). Short-term investments comprise of term deposits pledged as security in accordance with third party agreements. Maturity dates of the term deposits as collateral are less than 12 months, with a renewal option at the Company's option.

5. Receivables

	Note	As at March 31, 2022	As at March 31, 2021
Trade receivables		**93,527**	73,341
Sales tax		**23,981**	24,359
Grant receivable	**11**	**3,298**	—
Other receivables		**3,331**	1,055
		124,137	98,755

As at March 31, 2022, the trade receivables, subject to provisional pricing, amounted to a total balance of $26,504,000 (March 31, 2021: $550,000).

For information about the Company's exposure to credit risk, refer to note 26 - Financial Instruments.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

6. Inventories

	As at March 31, 2022	As at March 31, 2021
Stockpiled ore	**28,523**	13,050
Concentrate inventories	**26,386**	18,860
Supplies and spare parts	**43,952**	34,904
	98,861	66,814

For the year ended March 31, 2022, the amount of inventories recognized as an expense totalled $502,607,000 (year ended March 31, 2021: $464,059,000). For the year ended March 31, 2022, no provision was recorded on any of the Company's inventories (year ended March 31, 2021: nil).

7. Non-Current Investments

	As at March 31, 2022	As at March 31, 2021
Convertible loans - at FVTPL	**7,960**	943
Equity investments in private entity - at FVTPL	**3,445**	—
Derivative asset - at FVTPL	**2,744**	—
Equity investments in publicly listed entities - at FVTPL	**9**	8,761
	14,158	9,704

	As at March 31, 2022 (twelve-month period)	As at March 31, 2021 (twelve-month period)
Opening balance	**9,704**	1,546
Change in fair value during the period	**9,554**	10,237
Acquisition	**4,434**	943
Disposal	**(9,468)**	(3,022)
Foreign exchange loss	**(66)**	—
Ending balance	**14,158**	9,704

During the year ended March 31, 2022, the Company invested in a convertible loan and an equity investment in an European-based entity for an amount totalling $4,434,000 (US$3,500,000) (year ended March 31, 2021: $943,000 in a convertible loan).

An unrealized and realized gain in fair value on non-current investments of $5,071,000 and $4,483,000, respectively, have been recorded for the year ended March 31, 2022 (year ended March 31, 2021: $7,905,000 and $2,332,000, respectively).

During the year ended March 31, 2022, the Company sold the majority of its remaining shares of its publicly listed equity investments for net proceeds of $9,468,000 (year ended March 31, 2021: $3,022,000).

Refer to notes 26 - Financial Instruments and 23 - Other Income.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

8. Acquisition of the Kami Project

On November 16, 2020, the Supreme Court of Newfoundland and Labrador approved the acquisition by the Company from Deloitte Restructuring Inc. (the "Receiver"), as receiver for Alderon Iron Ore Corp. ("Alderon"), of the mining properties of the Kami Project located in the Labrador Trough geological belt in southwestern Newfoundland, near the Québec border, and certain related contracts.

At the acquisition date, on April 1, 2021, Champion paid $15,000,000 in cash and purchased and extinguished the secured debt between Alderon and Sprott Private Resource Lending (Collector), LP ("Sprott") through the issuance of 4,200,000 ordinary shares to Sprott and Altius Resources Inc. ("Altius"). The consideration also includes an undertaking in favour of the Receiver to make a finite production payment on a fixed amount of future iron ore concentrate production from the Kami Project. Refer to note 29 - Commitments and Contingencies.

The transaction has been determined and recorded as an acquisition of a group of assets. The total purchase price was allocated to the assets acquired based on their relative fair values at the acquisition date.

The purchase price and the allocation to the assets were calculated as follows:

	Notes	As at April 1, 2021
Purchase price		
Cash consideration		**15,000**
4,200,000 ordinary shares issued	**17**	**22,050**
Transaction costs		**444**
		37,494
Assets acquired		
Advance payment (Port agreement)	**9**	**5,988**
Intangible asset (access to Port)	**10**	**3,513**
Exploration and evaluation assets (mining property rights)	**12**	**27,993**
		37,494
Reconciliation of the acquisition of the Kami Project to the net cash flow used in investing activities		
Cash consideration		**15,000**
Transaction costs paid		**444**
		15,444

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

9. Advance Payments

	As at March 31, 2022	As at March 31, 2021
Railway and port facilities	**111,102**	23,724
Port and other port-related advance payments	**21,365**	17,920
Other long-term advance	**16,545**	6,659
	149,012	48,303

Railway and port facilities

On October 12, 2017, the Company entered into a railway and stockyard facilities access agreement with Société Ferroviaire et Portuaire de Pointe-Noire ("SFPPN") 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 advance payments of $3,750,000 to SFPPN to guarantee access to the yard. As at March 31, 2022, the related advance payments amounted to $9,359,000 (March 31, 2021: $8,513,000).

In addition, the Company entered into a construction agreement with SFPPN and made advances to increase the transshipment capacity and support the Company's plans to increase production with the Phase II project, which totalled $62,278,000 as at March 31, 2022 (March 31, 2021: $15,211,000). These advance payments will be reclassified to property, plant and equipment as a right-of-use asset once the work is completed and the related additional transshipment capacity is available.

On April 16, 2021, the Company entered into an agreement to expand an existing long-term rail contract to accommodate the anticipated increased Phase II production volumes. In connection with this agreement, the Company advance payments during the year ended March 31, 2022, which totalled $39,465,000 as at March 31, 2022.

The current portion of the railway and port facilities advances totalled $10,331,000 and is included under Prepaid expenses and advances in the consolidated statements of financial position.

Port

On July 13, 2012, the Company signed an agreement with the Sept-Îles Port Authority ("Port") to reserve annual loading capacity of 10 million metric tonnes of iron ore. Pursuant to the agreement, the Company made an advance payment on its future shipping, wharfage and equipment fees. As at March 31, 2022, the remaining advance payment amounted to $14,712,000 (March 31, 2021: $17,920,000).

On April 1, 2021, the Company acquired the Kami Project, along with related contracts, which included an advance payment and take-or-pay advance payments as an advance on its future shipping, wharfage and equipment fees, previously made by Alderon in respect of the Port agreement totalling $5,988,000. Refer to note 8 - Acquisition of the Kami Project.

Both agreements with the Port have an initial term of 20 years maturing in 2032 with options to renew for 4 additional 5-year terms. The current portion of the port advances totalled and $3,206,000 is included in under Prepaid expenses and advances in the consolidated statements of financial position.

Other long-term advance

The other long-term advance relates mainly to amounts paid to SFPPN annually and are recoverable from SFPPN under the guarantee access agreement if certain conditions are met as well as amounts prepaid for capital maintenance expenditures on SFPPN's assets.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

10. Intangible Assets

	Port Access	Software	Total
Cost			
March 31, 2021	**—**	**9,410**	**9,410**
Additions	**3,513**	**1,357**	**4,870**
March 31, 2022	**3,513**	**10,767**	**14,280**
Accumulated depreciation			
March 31, 2021	**—**	**3,153**	**3,153**
Depreciation	**—**	**2,582**	**2,582**
March 31, 2022	**—**	**5,735**	**5,735**
Net book value - March 31, 2022	**3,513**	**5,032**	**8,545**

	Port Access	Software	Total
Cost			
March 31, 2020	—	7,705	7,705
Additions	—	1,705	1,705
March 31, 2021	—	9,410	9,410
Accumulated depreciation			
March 31, 2020	—	1,635	1,635
Depreciation	—	1,518	1,518
March 31, 2021	—	3,153	3,153
Net book value - March 31, 2021	—	6,257	6,257

On April 1, 2021, in connection with the acquisition of the Kami Project, the Company acquired a Port agreement for the rights and entitlements to reserve annual loading capacity of 8 million metric tonnes of iron ore for an initial term of 20 years maturing in 2032 with options to renew for 4 additional 5-year terms. The related port access is amortized straight-line over the life of mine starting at the commercial production of Phase II. Refer to note 8 - Acquisition of the Kami Project.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

11. Property, Plant and Equipment

	Mining and Processing Equipment	Locomotives, Railcars and Rails	Tailings Dykes	Assets under Construction (i)(ii)	Mining Development and Stripping Asset (iii)	Asset Rehabilitation Obligation and Other	Subtotal	Right-of-use Assets	Total
Cost									
March 31, 2021	**172,460**	**43,663**	**81,549**	**176,079**	**67,831**	**32,223**	**573,805**	**10,335**	**584,140**
Additions	**24,658**	**6,959**	**—**	**449,228**	**44,134**	**40,916**	**565,895**	**57,138**	**623,033**
Transfers and disposals	**25,797**	**4,123**	**62,383**	**(93,522)**	**—**	**—**	**(1,219)**	**—**	**(1,219)**
Foreign exchange and other	**—**	**(269)**	**—**	**—**	**—**	**—**	**(269)**	**(1,105)**	**(1,374)**
March 31, 2022	**222,915**	**54,476**	**143,932**	**531,785**	**111,965**	**73,139**	**1,138,212**	**66,368**	**1,204,580**
Accumulated depreciation									
March 31, 2021	**56,018**	**6,967**	**8,212**	**—**	**1,799**	**3,519**	**76,515**	**2,640**	**79,155**
Depreciation	**34,482**	**1,972**	**5,425**	**—**	**8,981**	**2,917**	**53,777**	**2,406**	**56,183**
Transfers and disposals	**(740)**	**—**	**—**	**—**	**—**	**—**	**(740)**	**—**	**(740)**
Foreign exchange and other	**—**	**(48)**	**—**	**—**	**—**	**—**	**(48)**	**—**	**(48)**
March 31, 2022	**89,760**	**8,891**	**13,637**	**—**	**10,780**	**6,436**	**129,504**	**5,046**	**134,550**
Net book value - March 31, 2022	**133,155**	**45,585**	**130,295**	**531,785**	**101,185**	**66,703**	**1,008,708**	**61,322**	**1,070,030**

	Mining and Processing Equipment	Locomotives, Railcars and Rails	Tailings Dykes	Assets under Construction (i)	Mining Development and Stripping Asset (iii)	Asset Rehabilitation Obligation and Other	Subtotal	Right-of-use Assets	Total
Cost									
March 31, 2020	150,455	43,421	73,196	61,817	41,105	29,020	399,014	10,335	409,349
Additions	14,828	5,500	—	129,560	26,726	3,203	179,817	—	179,817
Transfers and disposals	6,945	—	8,353	(15,298)	—	—	—	—	—
Foreign exchange and other	232	(5,258)	—	—	—	—	(5,026)	—	(5,026)
March 31, 2021	172,460	43,663	81,549	176,079	67,831	32,223	573,805	10,335	584,140
Accumulated depreciation									
March 31, 2020	30,087	5,767	3,983	—	871	1,919	42,627	1,252	43,879
Depreciation	25,931	1,934	4,229	—	928	1,600	34,622	1,388	36,010
Foreign exchange and other	—	(734)	—	—	—	—	(734)	—	(734)
March 31, 2021	56,018	6,967	8,212	—	1,799	3,519	76,515	2,640	79,155
Net book value - March 31, 2021	116,442	36,696	73,337	176,079	66,032	28,704	497,290	7,695	504,985

(i) During the development period of the Bloom Lake Phase II expansion project, the amount of borrowing costs capitalized for the year ended March 31, 2022 was $15,040,000 (year ended March 31, 2021: $3,793,000). Borrowing costs consisted of interest expense on the long-term debt and the amortization of transaction costs. Refer to note 14 - Long-Term Debt. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization for the year ended March 31, 2022 was 5.4% (year ended March 31, 2021: 4.2%).

(ii) The Company qualified for a government grant up to $21,817,000, payable in multiple advances, in relation to energy consumption reduction initiatives under certain conditions. The Company must reach gas emissions reduction targets over a period of 10 years and must complete the construction before August 5, 2025. The additions of property, plant and equipment for the year ended March 31, 2022 are net of government grants of $9,532,000, of which $3,298,000 was receivable as at March 31, 2022. Refer to note 5 - Receivables.

(iii) The Company revised its mineral reserves as per the Phase II mine plan execution resulting in a change in the stripping ratio for cost capitalization and the depreciation calculation for the stripping activity asset. The change in the stripping ratio is accounted prospectively. For the year ended March 31, 2022, the addition to the stripping asset includes: i) production expenses capitalized amounting to $29,353,000 (year ended March 31, 2021: $14,142,000) and ii) allocated depreciation of property, plant and equipment amounting to $5,845,000 (year ended March 31, 2021: $2,636,000).

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

11. Property, Plant and Equipment (continued)

Right-of-use assets consist of the following:

	Building	Mining and Processing Equipment	Locomotives, Railcars and Rails	Total
March 31, 2021	**1,419**	**298**	**5,978**	**7,695**
Additions	**—**	**3,557**	**53,581**	**57,138**
Lease termination	**(1,105)**	**—**	**—**	**(1,105)**
Depreciation	**(221)**	**(1,349)**	**(836)**	**(2,406)**
March 31, 2022	**93**	**2,506**	**58,723**	**61,322**

	Building	Mining and Processing Equipment	Locomotives, Railcars and Rails	Total
March 31, 2020	1,640	1,114	6,329	9,083
Depreciation	(221)	(816)	(351)	(1,388)
March 31, 2021	1,419	298	5,978	7,695

On January 22, 2021, QIO entered into a master lease agreement for 450 railcars for a term of 20 years to support the Phase II production volume. Additions to the right-of-use assets were mainly comprised of these assets as the Company received most of the railcars during the year ended March 31, 2022. Refer to note 15 - Lease Liabilities.

12. Exploration and Evaluation Assets

	Labrador Trough	Newfoundland	Total
March 31, 2021	**73,423**	**2,683**	**76,106**
Additions	**31,213**	**491**	**31,704**
March 31, 2022	**104,636**	**3,174**	**107,810**

	Labrador Trough	Newfoundland	Total
March 31, 2020	73,087	2,438	75,525
Additions	336	245	581
March 31, 2021	73,423	2,683	76,106

Exploration and evaluation assets mainly comprise mining rights and exploration and evaluation expenditures which typically include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological, geochemical and geophysical studies.

On April 1, 2021, in connection with the acquisition of the Kami Project, the Company acquired mining property rights of $27,993,000. Refer to note 8 - Acquisition of the Kami Project.

13. Accounts Payable and Other

	Notes	As at March 31, 2022	As at March 31, 2021
Trade payable and accrued liabilities		**160,097**	83,395
Wages and benefits		**22,275**	18,329
Cash-settled share-based payment liability	**17**	**7,313**	—
Derivatives liabilities	**26**	**176**	—
Current portion of lease liabilities	**15**	**2,290**	501
		192,151	102,225

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

14. Long-Term Debt

	As at March 31, 2022	As at March 31, 2021
	(twelve-month period)	(twelve-month period)
Opening balance	**214,951**	275,968
Advances	**120,874**	—
Market value adjustment	**(8,727)**	—
Principal repayment	**(2,116)**	(25,262)
Transaction costs	**(4,373)**	(7,888)
Amortization of transaction costs	**4,681**	2,398
Foreign exchange gain	**(1,930)**	(32,128)
Non-cash loss on debt refinancing	**—**	1,863
	323,360	214,951
Less current portion	**(71,995)**	—
Ending balance	**251,365**	214,951

	As at March 31, 2022	As at March 31, 2021
Face value of long-term debt	**343,178**	226,350
Unamortized transaction costs and other	**(19,818)**	(11,399)
Long-term debt, net of transaction costs	**323,360**	214,951

Senior Debt

In December 2020, QIO entered into a lending arrangement with various lenders to fund the completion of Phase II, which is comprised of a US$350,000,000 non-revolving credit facility (the "Term Facility") and a US$50,000,000 revolving credit facility (the "Revolving Facility") (collectively the "Senior Debt"), maturing on December 23, 2025 and December 23, 2023, respectively.

As at March 31, 2022, the undrawn portion of the Senior Debt totalled US$220,000,000. The repayment of the Term Facility commences on the earlier of June 30, 2022 or the first quarter following the Phase II completion date, and equal quarterly installments thereafter of the principal balance outstanding. Subsequently, the Company completed the refinancing of the Senior Debt. Refer to note 34 - Subsequent Events.

Collaterals are 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.

The Senior Debt required the Company to deposit US$35,000,000 of cash as contingent funds to cover potential cost overruns of Phase II. As at March 31, 2022, this deposit of $43,736,000 was classified as a non-current restricted cash in the consolidated statements of financial position (March 31, 2021: $44,012,000).

IQ Loan

On July 21, 2021, QIO entered into an unsecured loan agreement with Investissement Québec ("IQ Loan") to finance the Company's share of the increase in transshipment capacity by SFPPN for an amount up to $70,000,000 maturing on April 1, 2032. Refer to note 9 - Advance Payments. The repayment commences 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. During the year ended March 31, 2022, the Company drew on $60,000,000. The loan bearing interest at 3.70% was determined to be at below-market rate. The fair value of the total advances was estimated at $51,273,000 and was determined based on the prevailing market interest rate for a similar instrument. The residual amount of $8,727,000 was recognized as a government grant and presented as a deferred grant in the consolidated statements of financial position.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

14. Long-Term Debt (continued)

FTQ Loan

On May 21, 2021, QIO entered into an unsecured loan agreement with Fonds de Solidarité des Travailleurs du Québec ("FTQ Loan") to fund the completion of Phase II for an amount up to $75,000,000, maturing on May 21, 2028. During the year ended March 31, 2022, the Company drew on $30,000,000. 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 the prepayment date.

CAT Financing

On April 1, 2021, the Company signed an agreement with Caterpillar Financial Services Limited ("CAT Financing") to finance Phase II mining equipment for a facility of up to US$75,000,000 and available until March 31, 2023 (initially March 31, 2022 but extended during the period). Transaction costs of $2,075,000 were incurred for this transaction. During the year ended March 31, 2022, the Company drew on US$24,271,000 and started capital repayments for a balance of US$22,607,000 as at March 31, 2022. The CAT Financing matures between 3 to 6 years depending on the equipment and is collateralized by all of the financed equipment. The CAT Financing includes an option to prepay the loan without penalty at any time.

The Senior Debt, FTQ Loan and the CAT Financing are subject to operational and financial covenants, all of which have been met as at March 31, 2022. The undrawn portion of the Senior Debt, FTQ Loan and the CAT Financing is subject to standby commitment fees varying from 0.35% to 1.38% during the pre-completion of Phase II.

During the year ended March 31, 2022, the weighted average interest rate was 4.5% (year ended March 31, 2021: 3.8%).

15. Lease Liabilities

	Note	**As at March 31, 2022**	As at March 31, 2021
Opening balance		**1,902**	2,890
New lease liabilities		**56,159**	—
Payments		**(2,043)**	(988)
Lease termination		**(1,285)**	—
Impact of foreign exchange		**(754)**	—
		53,979	1,902
Less current portion classified in "Accounts payable and other"	**13**	**(2,290)**	(501)
Ending balance		**51,689**	1,401

New lease liabilities for the year ended March 31, 2022 are mainly comprised of a lease liability for railcars. The lease liability is guaranteed by Champion and QIO is not subject to any financial covenants under the master lease agreement and cannot assign or sublease any railcars. Refer to note 11 - Property, Plant and Equipment.

For the year ended March 31, 2022, new lease liabilities were discounted using an average incremental borrowing rate of 5.0% (year ended March 31, 2021: no new lease liabilities).

The expenses related to short-term leases, low-value leases and variable leases were $2,514,000, $571,000 and $2,128,000, respectively, for the year ended March 31, 2022 (March 31, 2021: $910,000, $566,000 and $2,400,000, respectively). These expenses were included in cost of sales. The total cash outflow for leases was $7,256,000 for the year ended March 31, 2022 (March 31, 2021: $4,864,000).

16. Rehabilitation Obligation

	As at March 31, 2022	As at March 31, 2021
	(twelve-month period)	(twelve-month period)
Opening balance	**45,074**	42,836
Increase due to reassessment of the rehabilitation obligation	**44,605**	994
Accretion expense	**100**	72
Effect of change in discount rate	**(3,758)**	1,172
Ending balance	**86,021**	45,074

During the year ended March 31, 2022, a new rehabilitation obligation study was completed due to the Phase II expansion project. The estimated rehabilitation obligation increased by $44,605,000 during the year ended March 31, 2022.

The accretion of the rehabilitation obligation was evaluated as the amount of the expenditure required to settle the present obligation at the end of the reporting period, discounted by the number of years between the reporting date and the rehabilitation date using a discount rate of 0.54% as at March 31, 2022 (March 31, 2021: 0.28%). The undiscounted amount related to the rehabilitation obligation is estimated at $93,706,000 as at March 31, 2022 (March 31, 2021: $47,268,000).

17. 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 share issuances

	Year Ended March 31,	
	2022	2021
	(in thousands)	(in thousands)
Opening balance	**502,116**	467,689
Shares issued for exercise of warrants	**10,000**	27,733
Shares issued for exercise of options - incentive plan	**220**	6,694
Shares issued for release of restricted share units - incentive plan	**76**	—
Shares issued for the acquisition of the Kami Project	**4,200**	—
Ending balance	**516,612**	502,116

On April 1, 2021, the Company issued 4,200,000 ordinary shares to Sprott and Altius as partial consideration for the acquisition of the Kami Project. Refer to note 8 - Acquisition of the Kami Project.

During the year ended March 31, 2022, the Company declared and paid a dividend of $0.10 per ordinary share of the Company in respect to the semi-annual results for the period ended September 30, 2021 to registered shareholders for a total amount of $50,623,000.

17. Share Capital and Reserves (continued)

c) Preferred share issuances

	Year Ended March 31,	
	2022	2021
	(in thousands)	(in thousands)
Opening balance	**185,000**	185,000
Redemption of preferred shares	**(185,000)**	—
Ending balance	**—**	185,000

On August 16, 2019, QIO issued preferred shares for consideration of $185,000,000 to CDP Investissements Inc. ("CDPI"). Transaction costs of $3,205,000 were incurred for this transaction, resulting in net proceeds of $181,795,000. The preferred shares accumulate dividends, if and when declared by QIO. The dividend rate associated with the preferred shares is based on the gross realized iron ore price and fluctuates from 9.25% when the gross realized iron price for Bloom Lake 66.2% iron ore is greater than US$85/t to 13.25% should the gross realized iron ore price decrease below US$65/t. During the 21-month construction period of Phase II, the applicable dividend rate is locked in at 9.25%.

During the year ended March 31, 2022, the Company declared and paid dividends on the preferred shares amounting to $6,470,000 or $0.03 per preferred share which represented the accumulated dividends for the April 1, 2021 to August 16, 2021 period, inclusively. During the year ended March 31, 2022, QIO redeemed 185,000,000 of its preferred shares. The redemption was settled for $185,000,000 and the excess of the repurchase price over the book value of $25,493,000 was recorded in retained earnings for the year ended March 31, 2022.

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 alignment of interests between such employees and the shareholders of the Company. Under the Omnibus incentive plan, the Company grants stock option awards, RSU awards, PSU awards and DSU awards. If and when cash dividends are paid, the holders of RSUs, PSUs and DSUs are entitled to receive a dividend equivalent.

Stock option awards 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) over a 32-month period for Phase II construction. Vesting is subject to key performance indicators established by the Board. A portion of the PSUs granted with performance criteria based on Phase II milestones is settled in cash. DSU awards vest at the date of the grant.

A summary of the share-based payments expense is detailed as follows:

	Year Ended March 31,	
	2022	2021
Stock option costs	**1,263**	1,994
RSU costs	**2,988**	727
PSU costs	**7,873**	953
DSU costs	**694**	309
	12,818	3,983

Equity-settled awards
For the year ended March 31, 2022, the amount recognized as share-based payment expense related to equity-settled awards was $4,008,000 (year ended March 31, 2021: $3,983,000).

Cash-settled awards
On July 28, 2021, the Company modified some of the RSUs, PSUs and DSUs to allow the holders to elect the form of settlement for vested share-based units granted under the Omnibus incentive plan. Therefore, given that theses were considered cash-settled awards at that date, a liability of $10,807,000 was recognized based on the fair value of the cash–settled award as at the modification date and the extent to which the vesting period had expired with a corresponding decrease in contributed surplus of $4,295,000 and retained earnings of $6,512,000 ($5,193,000 net of tax of $1,319,000). The fair value of the liability was remeasured at year-end and an additional share-based payment expense of $8,810,000 was recorded in the consolidated statements of income. The current portion of the cash-settled liability of $7,313,000 is presented under Accounts payable and other in the consolidated statements of financial position. The non-current portion of the liability of $12,304,000 is included in Other long-term liabilities.

17. Share Capital and Reserves (continued)

e) Stock options

As at March 31, 2022, the Company is authorized to issue 51,661,000 stock options and share rights (March 31, 2021: 50,212,000) equal to 10% (March 31, 2021: 10%) of the issued and outstanding ordinary shares for issuance under the Omnibus incentive plan. The stock options granted will vest over a three-year period.

The following table details the stock options activities of the share incentive plan:

	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Number of Stock Options (in thousands)	**Weighted Average Exercise Price**	**Number of Stock Options** (in thousands)	**Weighted Average Exercise Price**
Opening balance	**1,920**	**4.85**	6,814	0.83
Granted	**—**	**—**	1,800	5.00
Forfeited	**(200)**	**5.00**	—	—
Exercised	**(220)**	**3.65**	(6,694)	0.80
Ending balance	**1,500**	**5.00**	1,920	4.85
Options exercisable - end of the year	**1,000**	**5.00**	600	5.00

During the year ended March 31, 2022, no new stock options were granted to executive officers of the Company (year ended March 31, 2021: 1,800,000). During the year ended March 31, 2022, a total of 220,000 stock options were exercised and the weighted average share price at the exercise date was $5.81. During the year ended March 31, 2021, a total of 6,694,000 stock options were exercised and the weighted average share price at the exercise date was $2.50.

The Company uses the Black-Scholes option pricing model in determining share-based payments, which requires a number of assumptions to be made. The stock option fair value was calculated according to this pricing model using the following weighted average assumptions:

	Year Ended March 31, 2021
Risk-free interest rate	0.4 %
Expected volatility based on historical volatility	55 %
Expected life of stock options	4 years
Expected dividend yield	0 %
Forfeiture rate	0 %
Share price at the grant date	$5.05
Exercise price at the grant date	$5.00
Fair value per stock option issued	$2.15

A summary of the Company's outstanding and exercisable stock options as at March 31, 2022 is presented below:

Exercise Price	**Weighted Average Remaining Life (Years)**	**Number of Stock Options** Outstanding (in thousands)	**Number of Stock Options** Exercisable (in thousands)
$5.00	2.85	1,500	1,000
		1,500	**1,000**

17. Share Capital and Reserves (continued)

f) Restricted share units

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

	Year Ended March 31,		Year Ended March 31,	
		2022		2021
	Number of RSUs	**Weighted Average Share Price**	**Number of RSUs**	**Weighted Average Share Price**
	(in thousands)		(in thousands)	
Opening balance	**1,010**	**2.24**	598	2.18
Granted	**316**	**6.16**	412	2.33
Dividend equivalent	**18**	**6.13**	—	—
Forfeited	**(40)**	**2.87**	—	—
Released through the issuance of ordinary shares	**(76)**	**2.21**	—	—
Withheld as payment of withholding taxes	**(86)**	**2.21**	—	—
Ending balance	**1,142**	**3.37**	1,010	2.24
Vested - end of the year	**435**	**2.28**	253	2.19

During the year ended March 31, 2022, 316,000 RSUs were granted to key management personnel (year ended March 31, 2021: 412,000). They will vest annually in three equal tranches from the date of grant.

During the year ended March 31, 2022, the Company issued 76,000 ordinary shares to an executive at a weighted average share price of $2.21. Withholding taxes of $443,000 were paid pursuant to the issuance of these aforementioned ordinary shares resulting in the Company not issuing an additional 86,000 RSUs.

g) Performance share units

The Company assesses each reporting period if performance criteria on 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:

	Year Ended March 31,		Year Ended March 31,	
		2022		2021
	Number of PSUs	**Weighted Average Share Price**	**Number of PSUs**	**Weighted Average Share Price**
	(in thousands)		(in thousands)	
Opening balance	**1,272**	**2.25**	653	2.17
Granted	**1,635**	**6.16**	619	2.33
Dividend equivalent	**45**	**6.13**	—	—
Forfeited	**(110)**	**2.60**	—	—
Ending balance	**2,842**	**4.55**	1,272	2.25
Vested - end of the year	**—**	**—**	—	—

During the year ended March 31, 2022, 1,635,000 PSUs were granted to key management personnel (year ended March 31, 2021: 619,000). Out of the PSUs granted during the period, a portion is payable in cash representing a fair value of $1,086,000 for the year ended March 31, 2022 and presented under Other long-term liabilities in the consolidated statements of financial position.

17. Share Capital and Reserves (continued)

h) Warrants

	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Number of Warrants	**Weighted Average Exercise Price**	**Number of Warrants**	**Weighted Average Exercise Price**
	(in thousands)		(in thousands)	
Opening balance	**25,281**	**1.91**	53,014	1.50
Exercised	**(10,000)**	**1.13**	(27,733)	1.13
Ending balance	**15,281**	**1.91**	25,281	1.91

A summary of the Company's outstanding and exercisable warrants as at March 31, 2022 and 2021 is presented below:

			Outstanding and Exercisable	
Exercise Price	**Holder**	**Expiry Date**	**As at March 31, 2022**	As at March 31, 2021
			(in thousands)	(in thousands)
$1.125	Sprott	October 16, 2022	**281**	281
$1.125	CDPI	October 16, 2024	**—**	10,000
$2.45	CDPI	August 16, 2026	**15,000**	15,000
			15,281	25,281

All ordinary share warrants were accounted for as warrants in the consolidated statements of equity.

Long-term debt with Sprott and CDPI
In connection with a previous debt with Sprott and CDPI, the Company issued on October 16, 2017:

(a) 3,000,000 ordinary share purchase warrants to Sprott, entitling the holder to purchase 3,000,000 ordinary shares of the Company for $1.125 until October 16, 2022, of which 281,000 warrants remained outstanding as at March 31, 2022; and

(b) 21,000,000 ordinary share purchase warrants to CDPI, entitling the holder to purchase 21,000,000 ordinary shares of the Company for $1.125 between October 16, 2018 and October 16, 2024. During the year ended March 31, 2022, the remaining 10,000,000 warrants were exercised.

Preferred share offering with CDPI
On August 16, 2019, in connection with a preferred share offering with CDPI, the Company issued 15,000,000 ordinary share purchase warrants to CDPI, entitling the holder to purchase 15,000,000 ordinary shares of the Company for $2.45 until August 16, 2026. All warrants were outstanding as at March 31, 2022. Refer to note 17 c).

18. Revenues

	Year Ended March 31, 2022	2021
Iron ore revenue	**1,389,837**	1,193,875
Provisional pricing adjustments	**70,969**	87,940
	1,460,806	1,281,815

Provisional pricing adjustments represent any difference between the revenue recognized at the end of the previous period and the final settlement price. As at March 31, 2022, 0.7 million tonnes of iron ore sales remained subject to provisional pricing, with the final price to be determined in the subsequent reporting periods (March 31, 2021: 1.0 million tonnes).

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

19. Cost of Sales

	Year Ended March 31,	
	2022	2021
Land transportation	**159,301**	156,455
Operating supplies and parts	**123,727**	98,193
Salaries, benefits and other employee expenses	**102,196**	89,536
Sub-contractors	**83,668**	71,395
Other production costs	**25,303**	16,841
Change in inventories	**(14,007)**	(2,006)
Production expenses capitalized as stripping asset	**(29,353)**	(14,142)
Incremental costs related to COVID-19	**7,843**	12,610
	458,678	428,882

Incremental operating costs related to COVID-19 results from the Company's safety measures, which are mainly comprised of on-site COVID-19 testing and laboratory costs, incremental costs for cleaning and disinfecting facilities, premiums paid to employees from adjusted work schedules and incremental transportation costs.

For the year ended March 31, 2022, the amount recognized as an expense for defined contribution plans was $6,928,000 (year ended March 31, 2021: $4,829,000) and is included in salaries, benefits and other employee expenses.

20. General and Administrative Expenses

	Year Ended March 31,	
	2022	2021
Salaries, benefits and other employee expenses	**13,880**	10,281
Public company related and administrative expenses	**10,975**	8,605
Professional fees	**5,576**	4,339
Travel expenses	**1,338**	369
	31,769	23,594

21. Sustainability and Other Community Expenses

	Year Ended March 31,	
	2022	2021
Property and school taxes	**5,842**	6,028
Impact and benefits agreement	**5,241**	5,232
Salaries, benefits and other employee expenses	**2,348**	1,712
Other expenses	**3,552**	1,886
	16,983	14,858

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

22. Net Finance Costs

	Year Ended March 31,	
	2022	2021
Standby commitment fees on long-term debt	**5,031**	975
Interest on long-term debt	**623**	6,624
Amortization of transaction costs	**1,503**	2,032
Loss on debt refinancing	**—**	1,863
Realized and unrealized foreign exchange loss	**359**	7,782
Interest expense on lease liabilities	**912**	117
Other	**2,617**	3,035
	11,045	22,428

During the development period of the Bloom Lake Phase II expansion project, the amount of borrowing costs capitalized for the year ended March 31, 2022 was $15,040,000 (year ended March 31, 2021: $3,793,000). Borrowing costs consisted of interest expense and transaction costs on the long-term debt.

23. Other Income

		Year Ended March 31,	
	Note	**2022**	2021
Unrealized gain on non-current investments	**26**	**5,071**	7,905
Realized gain of non-current investments	**26**	**4,483**	2,332
Unrealized loss on derivative liabilities	**26**	**(176)**	—
Net loss on non-financial assets		**(818)**	—
		8,560	10,237

24. Income and Mining Taxes

a) Deferred tax assets and liabilities

	As at March 31,	As at March 31,
	2022	2021
Deferred tax assets	**49,376**	32,117
Deferred income tax liability	**(126,011)**	(82,814)
Deferred mining tax liability	**(48,357)**	(33,836)
	(174,368)	(116,650)
Net deferred tax liabilities	**(124,992)**	(84,533)

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

24. Income and Mining Taxes

a) Deferred tax assets and liabilities (continued)

The movement in deferred tax asset during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Operating losses carried forward	Capital losses carried forward	Rehabilitation obligation	Transaction costs	Mining tax deduction and other	Total
As at April 1, 2020	8,760	—	11,352	1,562	6,527	28,201
Credited (charged) to statements of income	245	1,079	592	(892)	2,892	3,916
As at March 31, 2021	**9,005**	**1,079**	**11,944**	**670**	**9,419**	**32,117**
Credited to statements of equity	—	—	—	—	1,319	1,319
Credited (charged) to statements of income	(430)	873	10,851	(527)	5,173	15,940
As at March 31, 2022	**8,575**	**1,952**	**22,795**	**143**	**15,911**	**49,376**

The movement in deferred tax liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Property, plant and equipment	Mining tax	Exploration and evaluation assets	Other	Total
As at April 1, 2020	65,317	23,576	6,778	471	96,142
Charged to statements of income	8,155	10,260	397	1,696	20,508
As at March 31, 2021	**73,472**	**33,836**	**7,175**	**2,167**	**116,650**
Charged to statements of income	38,370	14,519	559	4,270	57,718
As at March 31, 2022	**111,842**	**48,355**	**7,734**	**6,437**	**174,368**

As at March 31, 2022, the Company had $9,013,000 (March 31, 2021: $9,012,000) of net deductible temporary differences, other than Canadian exploration expenses, cumulative Canadian development expenses and tax losses, for which no deferred tax assets have been recognized.

As at March 31, 2022, the Company had $13,008,000 (March 31, 2021: $17,180,000) of operating losses carried forward that were not recognized and that can be carried forward indefinitely against future taxable income. As at March 31, 2022, the Company also had $44,607,000 (March 31, 2021: $47,641,000) of operating losses that can be carried forward against future taxable income and that will expire from 2030 to 2042. Out of those losses, $27,815,000 (March 31, 2021: $31,022,000) were not recognized.

As at March 31, 2022, the Company had $17,957,000 (March 31, 2021: $14,318,000) of net capital losses that can be carried forward indefinitely against future capital gains. Out of those capital losses, $3,229,000 (March 31, 2021: $6,177,000) were not recognized. Net capital losses can be carried forward indefinitely and can only be used against future taxable capital gains.

As at March 31, 2022, the Company had cumulative Canadian exploration expenses of $35,225,000 (March 31, 2021: $35,225,000) and cumulative Canadian development expenses of $14,175,000 (March 31, 2021: $13,333,000) which may be carried forward indefinitely to reduce taxable income in future years.

As at March 31, 2022, the Company had $1,778,000 (March 31, 2021: $1,778,000) of unrecognized investment tax credit that can be carried forward against future income tax payable and that will expire from 2033 to 2035.

As at March 31, 2022, the Company had $957,003,000 (March 31, 2021: $486,948,000) of taxable temporary differences related to investments in subsidiaries for which a deferred tax liabilities were partially recorded for an amount of $2,800,000 (nil as at March 31, 2021). The deferred tax liabilities related to the remaining balance were not recognized as the Company controls the decisions affecting the realization of such liabilities and does not expect this temporary differences to be reverse in the foreseeable future. Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to income taxes and/or withholding taxes.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

24. Income and Mining Taxes (continued)

b) Tax expense

The tax expense is applicable as follows:

	Year Ended March 31, 2022	2021
Current income and mining taxes		
Current income tax on profits for the year	**170,873**	150,166
Current mining tax on profits for the year	**135,607**	130,689
Total current income and mining taxes	**306,480**	280,855
Deferred income and mining taxes		
Deferred income tax for the year	**27,256**	6,332
Deferred mining tax for the year	**14,522**	10,260
Total deferred income and mining taxes	**41,778**	16,592
Income and mining taxes expense	**348,258**	297,447

The tax on the Company's income before income and mining taxes differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Year Ended March 31, 2022		2021	
	Amount	**%**	**Amount**	**%**
Income before income and mining taxes	**870,843**		761,872	
Canadian combined tax rate for Champion		**26.50 %**		26.50 %
Expected tax calculated at Canadian combined tax rate	**230,773**		201,896	
Increase (decrease) resulting from the tax effects of:				
Mining tax, net of tax benefit	**110,330**	**12.67 %**	103,603	13.60 %
Other taxes included in income tax expense, net of tax benefits	**5,947**	**0.68 %**	—	— %
(Income) expenses not (taxable) deductible for tax purposes	**689**	**0.08 %**	(3,790)	(0.50)%
Recognition of previously unrecognized tax benefits	**—**	**— %**	(3,640)	(0.48)%
Other	**519**	**0.06 %**	(622)	(0.08)%
Income and mining taxes expense at effective tax rate	**348,258**	**39.99 %**	**297,447**	**39.04 %**

c) Income and mining taxes payable

The reconciliation of income and mining taxes payable is presented as follows:

Income and mining taxes payable	Mining Tax	Income Tax	Total
As at April 1, 2020	12,626	45,135	57,761
Current tax on profit for the year	130,689	150,166	280,855
Tax paid during the year	(56,708)	(90,366)	(147,074)
As at March 31, 2021	**86,607**	**104,935**	**191,542**
Current tax on profit for the year	135,607	170,873	306,480
Tax paid during the year	(217,256)	(258,022)	(475,278)
As at March 31, 2022	**4,958**	**17,786**	**22,744**

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

25. Earnings per Share

Earnings per share amounts are calculated by dividing the net income attributable to Champion shareholders for the years ended March 31, 2022 and 2021 by the weighted average number of shares outstanding during the year.

	Year Ended March 31,	
	2022	2021
Net income	**522,585**	464,425
Weighted average number of common shares outstanding - Basic	**507,591,000**	478,639,000
Dilutive share options, warrants and equity settled awards	**16,517,000**	27,684,000
Weighted average number of outstanding shares - Diluted	**524,108,000**	506,323,000
Basic earnings per share	**1.03**	0.97
Diluted earnings per share	**1.00**	0.92

26. Financial Instruments

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 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 March 31, 2022 and 2021:

As at March 31, 2022		**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	**—**	**321,892**	—	**321,892**
Short-term investments	Level 1	**—**	**30,777**	—	**30,777**
Trade receivables	Level 2	**93,527**	**—**	—	**93,527**
Other receivables (excluding sales tax and grant)	Level 2	**—**	**3,331**	**—**	**3,331**
Non-current					
Restricted cash	Level 1	**—**	**43,736**	**—**	**43,736**
Non-current investments (equity investment in publicly listed entity)	Level 1	**9**	**—**	—	**9**
Non-current investments (convertible loans, derivative and equity investment in private entity)	Level 3	**14,149**	**—**	—	**14,149**
		107,685	**399,736**	**—**	**507,421**
Liabilities					
Current					
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	Level 2	**176**	**—**	**182,372**	**182,548**
Accounts payable and other (cash-settled share-based payment liability)	Level 1	**7,313**	**—**	**—**	**7,313**
Current portion of long-term debt	Level 2	**—**	**—**	**71,995**	**71,995**
		7,489	**—**	**254,367**	**261,856**
Non-current					
Long-term debt	Level 2	**—**	**—**	**251,365**	**251,365**
Other long-term liabilities (cash-settled share-based payment liability)	Level 1	**12,304**	**—**	**—**	**12,304**
		19,793	**—**	**505,732**	**525,525**

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

26. Financial Instruments (continued)

Measurement Categories (continued)

As at March 31, 2021		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	—	609,316	—	609,316
Short-term investments	Level 1	—	27,200	—	27,200
Trade receivables	Level 2	73,341	—	—	73,341
Other receivables (excluding sales tax)	Level 2	—	1,055	—	1,055
Non-current					
Restricted cash	Level 1	—	44,012	—	44,012
Non-current investments (equity investment in publicly listed entities)	Level 1	8,761	—	—	8,761
Non-current investments (convertible loans)	Level 3	943	—	—	943
		83,045	681,583	—	764,628
Liabilities					
Current					
Accounts payable and other (excluding the current portion of lease liabilities)	Level 2	—	—	101,724	101,724
		—	—	101,724	101,724
Non-current					
Long-term debt	Level 2	—	—	214,951	214,951
		—	—	316,675	316,675

Financial Risk Factors

a) Market

i. Fair Value

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, other receivables and accounts payable and other (excluding current portion of lease liabilities). The fair value of restricted cash approximates its carrying amount. Long-term debt was accounted for at amortized cost using the effective interest method, and its fair value approximates its carrying value.

Fair Value 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 year ended March 31, 2022 (year ended March 31, 2021: nil).

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

26. Financial Instruments (continued)

a) Market (continued)

i. Fair Value (continued)

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 sales price is determined based on iron ore prices subsequent to a shipment arriving at the port of discharge. 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 final settlement is recorded as an adjustment to sales trade receivables.

Non-Current Investments

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. During the year ended March 31, 2022, the Company sold the majority of its remaining shares of its publicly listed equity investments for net proceeds of $9,468,000 (year ended March 31, 2021: $3,022,000) and a net gain of $176,000 (year ended March 31, 2021: $2,332,000).

During the year ended March 31, 2022, the Company invested in a convertible loan of US$2,500,000 (year ended March 31, 2021: US$750,000) in an European-based private entity which collaborates with the Company in industrial trials related to cold pelletizing technologies, convertible after March 31, 2022 at the discretion of the Company and automatically convertible after sixty months from the contractual date of December 16, 2021. The loan is convertible into a variable number of ordinary shares which varies according to the certain level of financing that the entity will seek. During the year ended March 31, 2022, the Company also purchased equity instruments in this European-based private entity. The fair value of the convertible loans and 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 latest financial statements as well as enterprise values used in financing, if any. Following the investments made by the Company, the private entity raised new financings with a higher enterprise value than the cost of the Company's prior investments, which resulted in an increase in the fair value on the convertibles loans and the equity investment based on a market approach.

The Company also has the right to subscribe equity instruments of this European-based private entity at any time prior to June 2023 at a subscription price below the current market value. As such, as at March 31, 2022, the Company recorded a derivative asset of $2,744,000 based on the same enterprise value.

The following table shows a breakdown of the changes in fair value recognized on non-current investments per fair value hierarchy.

		Year Ended March 31,	
		2022	2021
Change in fair value included in Other Income			
Unrealized (loss) gain on public equity investments	Level 1	**(3,767)**	7,905
Unrealized gain on private equity investments	Level 3	**2,196**	—
Unrealized gain on convertible loans	Level 3	**3,898**	—
Unrealized gain on derivative asset	Level 3	**2,744**	—
Total change in fair value		**5,071**	7,905
Realized gain on disposal of public equity investments	Level 1	**4,483**	2,332

Derivative Liabilities

The Company entered into forward foreign exchange contracts to sell U.S. dollars to reduce the risk of variability of future cash flows resulting from forecasted sales. The amount of contracts signed was determined based on the planned Phase II construction expenditures. As at March 31, 2022, remaining forward exchange contracts totalled US$5,000,000, maturing in April 2022. The forward foreign exchange rates used to estimate the fair value of these contracts was $1.25 as at March 31, 2022 and resulted in a derivative liability of $176,000 as at March 31, 2022, presented under Accounts payable and other in the consolidated statements of financial position. The fair value of forward exchange contracts was categorized as Level 2 in the fair value hierarchy.

26. Financial Instruments (continued)

a) Market (continued)

i. Fair Value (continued)

Financial Instruments Measured at FVTPL (continued)

Derivative Liabilities (continued)

Fair value of derivative financial instruments generally reflects the estimated amounts that the Corporation would receive or pay taking into consideration the counterparty credit risk or the Corporation's credit risk, at the reporting dates. The Corporation uses market data such as credit spreads and foreign exchange spot rates to estimate the fair value of forward agreements. The Company did not apply hedge accounting on these contracts. The change in fair value of these contracts amounted to a realized loss of $9,815,000 for the year ended March 31, 2022 in the net finance costs of the consolidated statements of income.

Cash-Settled Share-Based Payment Liability

Cash-settled share-based liability is classified as a Level 1 in the fair value hierarchy. The fair value of the cash-settled share-based payment liability is measured based on the closing share price of the Company on the TSX at each reporting date until the liability is settled with any changes in the fair value measurement of the liability recognized under share-based payments in the consolidated statements of income.

ii. Interest Rate Risk

Interest risk is the risk that the value of assets and liabilities will change when the related interest rates change. The Company is exposed to interest rate risk primarily on its long-term debt bearing interest at variable rates and does not take any particular measures to protect itself against fluctuations in interest rates. With the exception of its long-term debt, the Company's current financial assets and financial liabilities are not significantly exposed to interest rate risk because either they are of a short-term nature or because they are non-interest bearing.

The long-term debt bearing interest at variable rates is subject to interest based on London Interbank Offered Rate ("LIBOR"). The following table illustrates a LIBOR rate sensitivity analysis calculating the impact on net income and equity over a 12-month horizon:

	Year Ended March 31,	
(in thousands of U.S. dollars)	**2022**	2021
Increase in net income and equity with a 1% decrease in the LIBOR rate	**2,026**	1,800
Decrease in net income and equity with a 1% increase in the LIBOR rate	**(2,026)**	(1,800)

Regulators announced that the USD LIBOR rate will cease on June 30, 2023. This will impact the Senior Debt and CAT Financing which are USD LIBOR based contracts plus a financial margin. The Company is in the process of agreeing alternative rates with the relevant lenders. The interest rate benchmark reform did not have any financial impact for the year ended March 31, 2022.

iii. Commodity Price Risk

Commodity price risk arises from fluctuations in market prices of iron ore. The Company is exposed to the commodity price risk, as its iron ore sales are predominantly subject to prevailing market prices. The Company has limited ability to directly influence market prices of iron ore. The Company has sought to establish strategies that mitigate its exposure to iron ore price volatility in the short-term. The strategy of utilizing renowned brokers is aimed at providing some protection against decreases in the iron ore price while maintaining some exposure to pricing upside.

However, the Company's iron ore sales contracts are structured using the iron ore price indexes. These are provisionally priced sales volumes for which price finalization is referenced to the relevant index at a future date or the valuation is prescribed in some of the contracts. The estimated consideration in relation to the provisionally priced contracts is marked to market using the spot iron ore price at the end of each reporting period with the impact of the iron ore price movements recorded as an adjustment to revenue.

26. Financial Instruments (continued)

a) Market (continued)

iii. Commodity Price Risk (continued)

The following table sets out the Company's exposure, as at March 31, 2022, in relation to the impact of movements in the iron ore price for the provisionally invoiced sales volume:

	Year Ended March 31,	
(in thousands of U.S. dollars)	**2022**	2021
Dry metric tonnes subject to provisional pricing adjustments	**691,100**	1,007,000
10% increase in iron ore prices	**12,831**	18,393
10% decrease in iron ore prices	**(12,831)**	(18,393)

The sensitivities demonstrate the monetary impact on ore sales revenues, net income and equity resulting from a 10% increase and 10% decrease in realized selling prices at each reporting date, while holding all other variables constant, including foreign exchange rates. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact commodity prices. The above sensitivities should therefore be used with caution.

iv. Foreign Exchange Risk

Foreign currency risk is the risk that the Company financial performance could be affected by fluctuations in the exchange rates between currencies. The Company's sales, sea freight costs, Senior Debt and CAT Financing are denominated in U.S. dollars. The Company also has lease liabilities financed in U.S. dollars. As such, the Company benefits from a natural hedge between its revenues and its sea freight, long-term debt and some of its lease liabilities. Despite this natural hedge, the Company is exposed to foreign currency fluctuations as its mining operating expenses and other expenses are mainly incurred in Canadian dollars.

During the year ended March 31, 2022, the Company entered into forward foreign exchange contracts to comply with its Senior Debt covenants. As at March 31, 2022, remaining forward exchange contracts totalled US$5,000,000, maturing in April 2022. The Company has no hedging contracts in place and therefore has exposure to the foreign exchange rate fluctuations. The strengthening of the U.S. dollar would positively impact the Company's net income and cash flows while the strengthening of the Canadian dollar would reduce its net income and cash flows.

The following table indicates the foreign currency exchange risk as at March 31, 2022 and 2021:

	As at March 31,	As at March 31,
(in thousands of U.S. dollars)	**2022**	2021
Current assets		
Cash and cash equivalents	**129,840**	223,584
Short-term investments	**9,856**	7,666
Receivables (excluding sales tax)	**74,846**	58,323
Non-current assets		
Restricted cash	**35,000**	35,000
Current liabilities		
Accounts payable and other	**(4,593)**	—
Current portion of long-term debt	**(52,813)**	—
Non-current liabilities		
Lease liabilities	**(40,624)**	—
Long-term debt	**(149,794)**	(180,000)
Total foreign currency net liabilities in USD	**1,718**	144,573
CAD dollar equivalents	**2,147**	181,801

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

26. Financial Instruments (continued)

a) Market (continued)

iv. Foreign Exchange Risk (continued)

The following table is a currency risk sensitivity analysis calculating the impact on net income and equity for the years ended March 31, 2022 and 2021, based on the Company's net assets denominated in U.S. dollars at the end of the reporting period:

	As at March 31 2022	As at March 31 2021
Decrease in net income and equity with a 10% depreciation in the U.S. dollar	**(215)**	(18,180)
Increase in net income and equity with a 10% appreciation in the U.S. dollar	**215**	18,180

The sensitivity analysis above assumes that all other variables remain constant. The Company's exposure to other currencies is not significant.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash and cash equivalents, short-term investments, trade receivables and restricted cash.

Cash and cash equivalents, short-term investments and restricted cash
With respect to credit risk arising from cash and cash equivalents, short-term investments and restricted cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure corresponding to the carrying amount of these instruments. The Company limits its counterparty credit risk on these assets by dealing only with financial institutions with credit ratings of at least A or equivalent.

Trade receivables
The Company's credit risk on trade receivables relates to two customers having similar activities and economic characteristics, representing a significant portion of sales with a maximum exposure corresponding to the carrying value. Trade receivable credit risk is mitigated through established credit monitoring activities. These include conducting financial and other assessments to establish and monitor a customer's credit worthiness, setting customer limits, monitoring exposure against these limits. There is no assurance that customers will remain solvent over time and in the event a significant customer is unable to accept contracted volumes, the volumes may then be sold on a spot basis to traders, sold under renegotiated contractual volumes with existing customers, or sold under contracts with new customers.

Loss allowance on receivables is based on actual credit loss experience over the past years and current economic conditions. Receivables are generally settled within six months and are historically collectable. The Company has no receivables past due as at March 31, 2022 (March 31, 2021: nil). For the year ended March 31, 2022, no provision was recorded on any of the Company's receivables (year ended March 31, 2021: nil).

The Company holds no collateral for any receivable amounts outstanding as at March 31, 2022 (March 31, 2021: nil).

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities and lease liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, through budgeting and cash forecasting, that it will have sufficient liquidity to meet its liabilities as they come due. The COVID-19 pandemic did not have a negative impact on the Company's liquidity risk for the years ended March 31, 2022 and 2021.

The following are the contractual maturities of financial liabilities and gross lease liabilities (non-financial liabilities) with estimated future interest payments as at March 31, 2022:

	Less than a year	**1 to 5 years**	**More than 5 years**	**Total**
Accounts payable and other (excluding current portion of lease liabilities and cash-settled share-based payment liability)	**182,548**	**—**	**—**	**182,548**
Long-term debt, including interest	**84,509**	**233,649**	**68,310**	**386,468**
Cash-settled share-based payment liability	**7,313**	**12,304**	**—**	**19,617**
Lease liabilities, including interest	**4,936**	**16,494**	**67,213**	**88,643**
	279,306	**262,447**	**135,523**	**677,276**

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

27. Capital Risk Management

The Company's main objective when managing its capital is to maintain an adequate balance between having sufficient capital to invest in growth opportunities including exploring and developing mineral resource properties and investing in new product development as well as maintaining a satisfactory return on equity to ordinary shareholders.

The Company defines its capital as long-term debt, lease liabilities and share capital. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. Dividend payments are discretionary and depends on financial circumstances. The Company is not subject to externally imposed capital requirements other than certain restrictions under the terms of its lending agreements for which the Company complied as at March 31, 2022. In order to facilitate the management of its capital requirements, the Company prepares long-term cash flow projections that consider various factors, including successful capital deployment, general industry conditions and economic factors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital for the years ended March 31, 2022 and 2021 was as follows:

	As at March 31, 2022	As at March 31, 2021
Long-term debt	**323,360**	214,951
Lease liabilities	**53,979**	1,902
Share capital	**398,635**	515,970
	775,974	732,823

28. Key Management Compensation

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	Year Ended March 31,	
	2022	2021
Short-term benefits		
Salaries	**4,068**	3,044
Bonus	**3,284**	2,588
	7,352	5,632
Share-based payments	**11,136**	3,443
All other remuneration	**478**	351
	18,966	9,426

The Company has employment agreements with five executive officers, which include termination remuneration and benefits varying according to different scenarios. Had all these officers been terminated on March 31, 2022, the Company would have paid an amount of approximately $17,788,000, in addition to amounts in the table above.

29. Commitments and Contingencies

Commitments

The Company's future minimum payments of commitments as at March 31, 2022 are as follows:

(in thousands of dollars)	Less than a year	1 to 5 years	More than 5 years	Total
Impact and Benefits Agreement with the Innu community	**5,270**	**22,712**	**84,553**	**112,535**
Take-or-pay fees related to the Port agreement	**6,933**	**29,509**	**105,592**	**142,034**
Capital expenditure obligations	**116,378**	**—**	**—**	**116,378**
Service commitment	**10,227**	**48,228**	**3,294**	**61,749**
Spare parts purchase commitment	**15,045**	**—**	**—**	**15,045**
Committed leases not yet commenced	**1,085**	**5,670**	**17,157**	**23,912**
	154,938	**106,119**	**210,596**	**471,653**

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

In relation to the acquisition of the Kami Project and contingent upon it advancing to commercial production, the Company is subject to:

- A gross sales royalty to Altius on iron ore concentrate, refined copper, fine gold bullion, silver bullion, and other refined products;
- Finite production payments to the Receiver on future production;
- Education and training fund for the local communities; and
- Special tax payment to the Minister of Finance of Newfoundland and Labrador.

The Company is also subject to a limited production payment on its Consolidated Fire Lake North, Lac Lamêlée, Moiré Lake, O'Keefe-Purdy and Harvey-Tuttle properties.

30. Parent Entity Information

The following table is an AAS requirement and presents the information relating to Champion Iron Limited:

	As at March 31, 2022	As at March 31, 2021
Current assets	**42,119**	70,783
Non-current assets	**143,063**	85,594
Total assets	**185,182**	156,377
Current liabilities	**8,045**	580
Non-current liabilities	**11,455**	—
Total liabilities	**19,500**	580
Net assets	**165,682**	155,797
Share capital	**269,242**	227,069
Warrants	**22,473**	29,973
Contributed surplus	**12,354**	13,324
Accumulated deficit	**(138,387)**	(114,569)
Total equity	**165,682**	155,797
Net loss of the parent entity	**20,827**	6,618
Comprehensive loss of the parent entity	**20,827**	6,618

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

31. Auditor's Remuneration

The following table is an AAS requirement and presents the total of all remuneration received or due and receivable by the auditors in connection with:

	Year Ended March 31,	
	2022	2021
E&Y Canada		
Audit fees	**688**	497
Tax fees	**86**	194
All other non-audit fees	**2**	27
	776	718
E&Y Australia		
Audit fees	**73**	59
All other non-audit fees	**—**	1
	73	60
	849	778

Other non-audit fees are mainly comprised of consulting services.

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

32. Financial Information Included in the Consolidated Statements of Cash Flows

a) Changes in non-cash operating working capital

	Year Ended March 31,	
	2022	2021
Receivables	**(18,773)**	(74,205)
Prepaid expenses and advances	**(14,818)**	7,581
Inventories	**(23,056)**	(8,488)
Advance payments	**1,352**	(654)
Accounts payable and other	**78,470**	47,554
Income and mining taxes payable	**(168,798)**	133,781
Other long-term liabilities	**1,381**	(247)
	(144,242)	105,322

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

	Year Ended March 31,	
	2022	2021
Additions of property, plant and equipment as per note 11	**623,033**	179,817
Right-of-use assets	**(57,138)**	—
Depreciation of property, plant and equipment allocated to stripping activity asset	**(5,845)**	(2,636)
Non-cash increase of the asset rehabilitation obligation	**(40,847)**	(2,166)
Government grant receivable	**3,298**	—
Capitalized amortization of transaction costs	**(3,179)**	(365)
Net cash flow used in investing activities - purchase of property, plant and equipment	**519,322**	174,650

The additions of property, plant and equipment for the year ended March 31, 2022 are net of government grants of $9,532,000, of which $3,298,000 was receivable as at March 31, 2022. The net cash flow from purchase of property, plant and equipment as presented in the statements of cash flows is net of government grants totalling $6,234,000 for the year ended March 31, 2022.

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

	Year Ended March 31,	
	2022	2021
Depreciation of property, plant and equipment as per note 11	**56,183**	36,010
Depreciation of property, plant and equipment allocated to stripping activity asset	**(5,845)**	(2,636)
Depreciation of intangible assets	**2,582**	1,518
Net effect of depreciation of property, plant and equipment allocated to inventory	**(8,991)**	285
Depreciation as per statements of income	**43,929**	35,177

(Tabular figures are expressed in thousands of Canadian dollars, except where otherwise indicated - audited)

33. Segmented Information

The Company is conducting exploration and evaluation and mining operations activities in Canada. The business segments presented reflect the management structure of the Company and the way in which the Company's chief operating decision maker reviews business performance. The Company evaluates the performance of its operating segments primarily based on segment operating income, as defined below. Since the Company has started production at the mine site which represents all the mining operation, it was identified as a segment. Exploration and evaluation and corporate were identified as separate segments due to their specific nature.

Year Ended March 31, 2022	Mine Site	Exploration and Evaluation	Corporate	Total
Revenues	**1,460,806**	**—**	**—**	**1,460,806**
Cost of sales	**(458,678)**	**—**	**—**	**(458,678)**
Depreciation	**(43,671)**	**—**	**(258)**	**(43,929)**
Gross profit (loss)	**958,457**	**—**	**(258)**	**958,199**
Share-based payments	**—**	**—**	**(12,818)**	**(12,818)**
General and administrative expenses	**—**	**—**	**(31,769)**	**(31,769)**
Sustainability and other community expenses	**(5,840)**	**—**	**(11,143)**	**(16,983)**
Product research and development expenses	**—**	**—**	**(5,549)**	**(5,549)**
Bloom Lake Phase II start-up costs	**(17,752)**	**—**	**—**	**(17,752)**
Operating income (loss)	**934,865**	**—**	**(61,537)**	**873,328**
Net finance costs, other expense and taxes expenses				**(350,743)**
Net income				**522,585**
Segmented total assets	**1,827,085**	**107,810**	**54,335**	**1,989,230**
Segmented total liabilities	**(800,206)**	**—**	**(27,326)**	**(827,532)**
Segmented property, plant and equipment	**1,069,580**	**—**	**450**	**1,070,030**

Year Ended March 31, 2021	Mine Site	Exploration and Evaluation	Corporate	Total
Revenues	1,281,815	—	—	1,281,815
Cost of sales	(428,882)	—	—	(428,882)
Depreciation	(34,919)	—	(258)	(35,177)
Gross profit (loss)	818,014	—	(258)	817,756
Share-based payments	—	—	(3,983)	(3,983)
General and administrative expenses	—	—	(23,594)	(23,594)
Sustainability and other community expenses	(6,025)	—	(8,833)	(14,858)
Product research and development expenses	—	—	(1,258)	(1,258)
Operating income (loss)	811,989	—	(37,926)	774,063
Net finance costs, other income and taxes expenses				(309,638)
Net income				464,425
Segmented total assets	1,347,588	76,106	73,212	1,496,906
Segmented total liabilities	(632,538)	—	(11,351)	(643,889)
Segmented property, plant and equipment	503,239	—	1,746	504,985

34. Subsequent Events

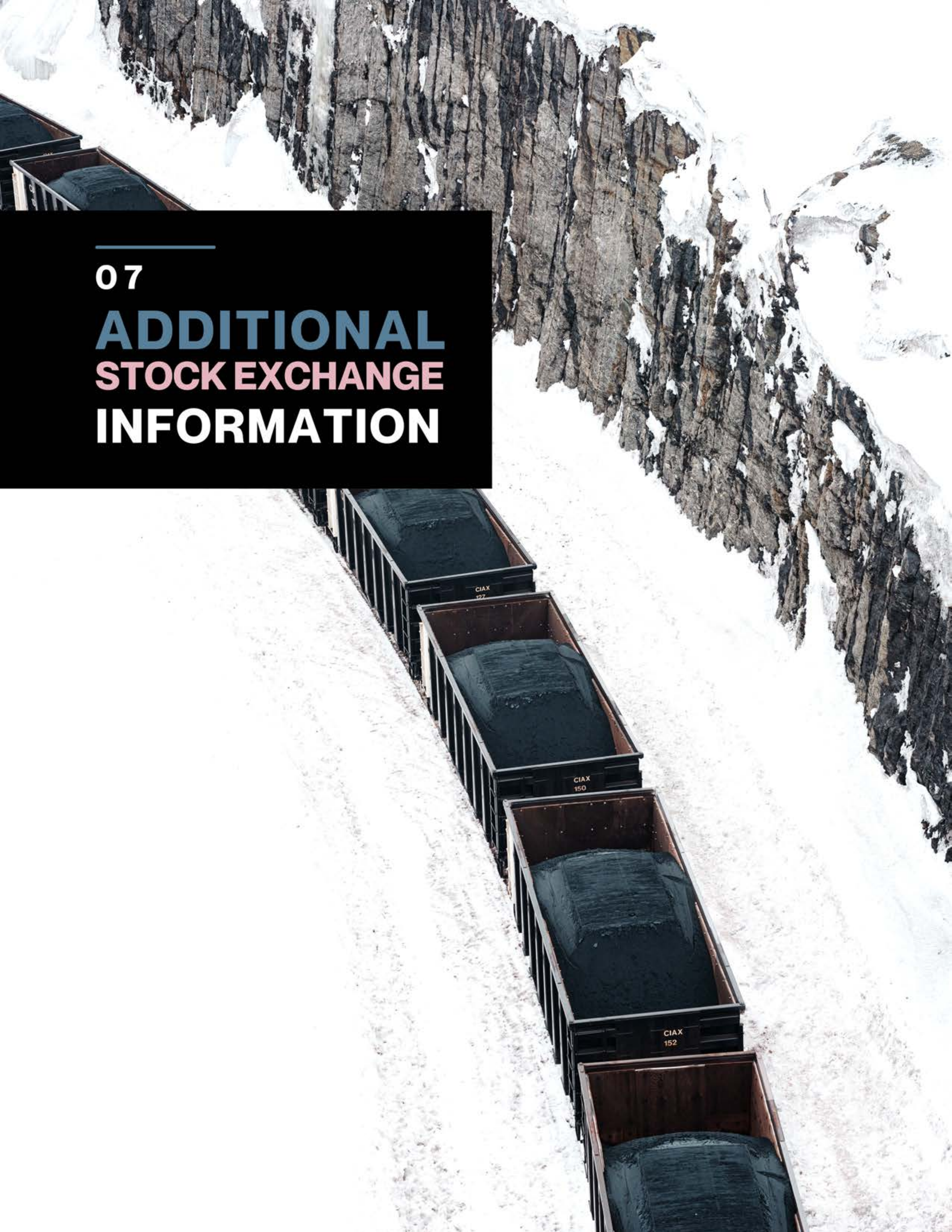
On May 24, 2022, QIO completed the refinancing of the US$400.0M Senior Debt with a US$400.0M general purpose revolving facility ("US$400M Revolving Facility"). The Company drew US$180M on the Revolving Facility, equivalent to the Credit Facility balance as at March 31, 2022. The US$400M Revolving Facility is provided by Societe Generale (Coordinating Bank, Mandated Lead Arranger and Joint Bookrunners), The Bank of Nova Scotia (Administrative Agent, Mandated Lead Arranger and Joint Bookrunner), with The Toronto-Dominion Bank, The Royal Bank of Canada (acting as Mandated Lead Arrangers and Joint Bookrunners), with the inclusion of the Bank of China Toronto Branch, Fédération des caisses Desjardins du Québec, Bank of Montreal, National Bank, Bank of America and EDC.

The US$400M Revolving Facility will mature four years from May 24, 2022, and will bear interest based on leverage ratios ranging between the Secured Overnight Financing Rate ("SOFR"), plus a credit spread adjustment, plus 2.00% if the net debt to EBITDA ratio is lower or equal to 0.50x to SOFR, plus a credit spread adjustment plus 3.00% if the net debt to EBITDA ratio is greater than 2.50x. The US$400M Revolving Facility includes standard and customary finance terms and conditions, including with respect to fees, representations, warranties, covenants and conditions precedent to disbursements.

On May 25, 2022 (Montreal time) / May 26, 2022 (Sydney time), the Board declared a dividend of $0.10 per ordinary share of the Company in connection with the annual results for the period ended March 31, 2022, payable on June 28, 2022, to registered shareholders at the close of business in Australia and Canada on June 7, 2022 (local time).

07

ADDITIONAL STOCK EXCHANGE INFORMATION



STOCK EXCHANGE INFORMATION

The additional information set out below relates to the ordinary shares of the Company as at April 23, 2022. The Company does not hold other class of equity securities, which excludes shares held by it subsidiaries.

1. Distribution of Shareholdings as at April 23, 2022

Size of Holding	Number of Holders	Number of Ordinary Shares	% of issued Capital
1 to 1,000	2,002	785,120	0.15 %
1,001 to 5,000	1,040	2,539,449	0.49 %
5,001 to 10,000	241	1,892,227	0.37 %
10,001 to 100,000	301	9,759,682	1.89 %
100,000 and over	123	501,635,398	97.10 %
	3,707	516,611.876	100.00 %

2. Substantial Shareholders as at April 23, 2022

The Company has received substantial shareholder notifications from the shareholders below. The following table sets out the shareholding of each substantial shareholder from these substantial shareholder notifications with the percentage of issued share capital updated for the current issued share capital of the Company.

Name of Shareholder	Number of Ordinary Shares	% of issued Capital
Michael O'Keeffe (and associates)	45,023,830	8.72 %
Investissement Québec	43,500,000	8.42 %
WC Strategic Opportunity LP	41,944,444	8.12 %

3. Marketable Parcels as at April 23, 2022

149 shareholders held less than a marketable parcel of ordinary shares as at April 23, 2022.

4. Voting Rights

All ordinary shares issued by the Company carry one vote per share without restriction.

STOCK EXCHANGE INFORMATION

5. Twenty Largest Shareholders as at April 23, 2022

The following table lists the 20 largest registered holders of the Company's shares, together with the number of shares and the percentage of the issued capital each holds, as of April 23, 2022, being the last practicable date.

Many of the 20 largest shareholders shown below hold shares as a nominee or custodian. In accordance with the reporting requirements, the tables reflect the legal ownership of shares and not the details of the underlying beneficial holders.

	Name of Shareholder	Number of Ordinary Shares	% of issued Capital
1	HSBC Custody Nominee Aust Ltd	72,790,080	14.09 %
2	JP Morgan Nom Aust PL	45,474,377	8.80 %
3	Investissement Québec	43,500,000	8.42 %
4	WC Strategic Opportunity LP	41,944,444	8.12 %
5	Prospect AG Trading PL	34,362,930	6.65 %
6	Citicorp Nom PL	30,871,209	5.98 %
7	Metech Super PL	9,950,000	1.93 %
8	National Nominees LTD	8,125,073	1.57 %
9	Mr Michael O'Keeffe	6,751,900	1.31 %
10	BNP Paribas Nominees PTY LTD	4,532,930	0.88 %
11	Eastbourne DP PL	3,500,000	0.68 %
12	BNP Paribas Nominees PTY LTD Custodial Serv LTD DRP	3,490,060	0.68 %
13	HSBC Custody Nominee Aust Ltd (Commonwealth Super Corp)	3,416,885	0.66 %
14	CS Third Party Nominees PTY LTD	3,163,729	0.61 %
15	BNP Paribas Nominees PTY LTD Agency Lending Collateral	2,800,000	0.54 %
16	Mr David Cataford	2,222,080	0.43 %
17	BNP Paribas Nominees PTY LTD Agency Six Sis LTD	2,127,922	0.41 %
18	BNP Paribas Nominees PTY LTD Agency Lending DRP	1,827,562	0.35 %
19	BNP Paribas Nominees PTY LTD ACF Clearstream	1,531,729	0.30 %
20	GAB Super Fund PL	1,443,334	0.28 %

08

RISK FACTORS

RISK FACTORS

An investment in securities of the Company is highly speculative and involves significant risks. If any of the events contemplated in the risk factors described below actually occurs, the Company's business may be materially and adversely affected and its financial condition and results of operation may suffer significantly. In that event, the trading price of the Ordinary Shares could decline and purchasers of Ordinary Shares may lose all or part of their investment. The risks described herein are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business.

Financial Risks

Iron Ore Prices

The Company's principal business is the exploration, development and production of iron ore. The Company's future profitability is largely dependent on movements in the price of iron ore, over which the Company has no control. Iron ore prices have historically been volatile and are primarily affected by the demand for and price of steel in addition to the supply/demand balance. Given the historical volatility of iron ore prices and the recent increase in volatility thereof, there are no assurances that the iron ore price will remain at economically attractive levels. An increase in iron ore supply without a corresponding increase in iron ore demand would be expected to result in a decrease in the price of iron ore. Similarly, a decrease in iron ore demand without a corresponding decrease in the supply of iron ore would be expected to result in a decrease in the price of iron ore. A continued decline in iron ore prices would adversely impact the business of the Company and could affect the feasibility of the Company's projects. A continued decline in iron ore prices would also be expected to adversely impact the Company's ability to attract financing. Iron ore prices are also affected by numerous other factors beyond the Company's control, including the exchange rate of the United States dollar with other major currencies, the overall state of the economy and expectations for economic growth (including as a result of the COVID-19 pandemic), global and regional demand, political and economic conditions, including trade protection measures such as tariffs and import and export restrictions, production levels and costs and transportation costs in major iron ore producing regions. During the financial year ended March 31, 2022, iron ore prices and high-grade iron ore premiums experienced increased volatility, and the price for iron ore was subject to important volatility. The Company cannot predict the future impact of those factors on iron ore prices, nor whether those factors will continue or if other factors that may negatively affect iron ore prices and high-grade iron ore premiums will emerge. If as a result of a decline in iron ore prices, revenues from iron ore sales were to fall below cash operating costs, the feasibility of continuing development and operations would be evaluated and if warranted, could be discontinued.

Fluctuating Mineral Prices

Factors beyond the control of the Company may affect the marketability of any other minerals discovered. Resource prices have fluctuated widely and are affected by numerous factors beyond the Company's control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital, and a loss of all or part of an investment in securities of the Company may result.

Freight Costs and Inflation

The Company uses external sea freight to ship most of its iron ore concentrate. Global sea freight capacity issues, which have been exacerbated by the COVID-19 pandemic and port congestions globally, in addition to rising fuel prices and recent inflationary pressure, continue to persist worldwide. Such dynamics in tandem with limited capacity and equipment, has resulted in longer shipping times and price increases. Although the Company is seeking to manage and reduce its freight premium volatility, including through freight contracts, the Company remains exposed to fluctuations in freight costs. Adverse fluctuations in freight costs, including as a result of general economic conditions, rising fuel prices, decreased vessel availability or otherwise, could have a material affect the Company's business, results of operations and profitability.

Risk Factors (continued)

Financial Risks (continued)

Liquidity / Financing Risk

The Company may need to obtain additional equity or debt financing in the future through the sale of securities, by optioning or selling its properties, or otherwise. No assurance can be given that additional financing will be available for further exploration and development of the Company's properties when required, upon terms acceptable to the Company or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

As of March 31, 2022, Champion had cash and cash equivalents of approximately $321.9 million and total long-term debt of approximately $323.4 million. Although Champion has been successful in repaying debt in the past and restructuring its capital structure with a lower cost of capital, there can be no assurance that it can continue to do so. In addition, Champion may in the future assume additional debt or reduce its holdings of cash and cash equivalents in connection with funding future growth initiatives, existing operations, capital expenditures or in pursuing other business opportunities. Champion's level of indebtedness could have important consequences for its operations. In particular, Champion may need to use a large portion of its cash flows to repay principal and pay interest on its debt as well as payment under lease liabilities, which will reduce the amount of funds available to finance its operations and other business activities. Champion's debt level may also limit its ability to pursue other business opportunities, borrow money for operations or capital expenditures or implement its business strategy.

As of March 31, 2022, the Company had a total undrawn Amended Credit Facility of US$220 million. The 2020 Term Facility was scheduled to mature five years from December 23, 2020 while the 2020 Revolving Facility was scheduled to mature three years from December 23, 2020. Following the announcement of Phase II commissioning, QIO completed on May 24, 2022, the refinancing of the Amended Credit Facility with the Revolving Facility, which is scheduled to mature four years from May 24, 2022. See "Current Financial Period – 2022 Refinancing" above. As of March 31, 2022, the Company also had the Equipment Financing Facility with Caterpillar Financial Services Limited for an undrawn amount of US$50.7 million, and a seven-year FTQ Loan Agreement for an undrawn amount of $45 million, maturing on May 21, 2028. Additionally, the Company had an undrawn IQ Loan of $10.0 million to partially finance a total investment of $85 million related to upgrades at SFPPN. Accordingly, as of March 31, 2022, the Company had a total $393.3 million of undrawn available financing.

In addition to future cash flows from operations, potential divestments and the creation of new partnerships, Champion's other potential sources of liquidity for the payment of its expenses and principal and interest payable on its debt, its lease liabilities and other financial instruments include issuing additional equity or unsecured debt and borrowing under the Company's Revolving Facility. Champion's ability to reduce its indebtedness and meet its payment obligations will depend on its future financial performance, which will be impacted by financial, business, economic and other factors. Champion will not be able to control many of these factors, including the economic conditions in the markets in which it operates. There is no certainty that Champion's existing capital resources and future cash flows from operations will be sufficient to allow it to pay principal and interest on its debt, lease liabilities and other financial instruments and meet its other obligations. If these amounts are insufficient or if Champion does not comply with financial covenants under the Revolving Facility or its other financial instruments, Champion may be required to refinance all or part of its existing debt, sell assets, borrow more money or issue additional equity. The ability of Champion to access the bank, public debt or equity capital markets on an efficient basis may be constrained by a disruption in the credit markets or capital or liquidity constraints in the banking, debt or equity markets at the time of such refinancing.

Champion is also exposed to liquidity and various counterparty risks including, but not limited to: (i) Champion's lenders and other banking and financial counterparties; (ii) Champion's insurance providers; (iii) financial institutions that hold Champion's cash; (iv) companies that have payables to Champion, including concentrate customers; and (v) companies that have received deposits from Champion for the future delivery of equipment. In the event that such counterparties were affected by a business disruption, insolvency or similar event, Champion's liquidity or access to funds could be adversely affected, which could limit its ability to pursue other business opportunities or implement its business strategy.

Global Financial Conditions and Capital Markets

As future capital expenditures of the Company will be financed out of funds generated from operations, borrowings and possible future equity sales, the Company's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in the Company's securities.

Risk Factors (continued)

Financial Risks (continued)

Global Financial Conditions and Capital Markets (continued)

Global financial markets experienced extreme and unprecedented volatility and disruption in 2008, 2009 and the first half of 2020. World economies experienced a significant slowdown in 2008 and 2009 and only slowly began to recover late in 2009, through 2010 to 2019, although the strength of recovery has varied by region and by country. In the latter half of 2011 and 2012-2013, debt crises in certain European countries and other factors adversely affected the recovery. Similarly, as a result of the outbreak of the coronavirus disease (COVID-19), there has been a slowdown in world economies since the first quarter of 2020.

The conflict between Russia and Ukraine that commenced in February 2022 may result in increased volatility on global financial markets and the demand and price for commodities although the scale and impact is uncertain.

These factors may impact the ability of the Company to obtain equity or debt financing in the future on favourable terms. Additionally, these factors, as well as other related factors, may impair the Company's ability to make capital investments and may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market fluctuations continue, the Company's operations could be adversely impacted and the trading price of its Ordinary Shares may be adversely affected.

Increasing Global Instability as a Result of the Russia-Ukraine Conflict

Although the Company does not conduct business directly with or within Russia and Ukraine, increasing global instability could impact its operations with worsening supply chain disruptions coupled with macro-economic forces increasing market, commodity prices and foreign exchange volatility, driving up fuel prices and increasing inflationary pressures limiting consumer spending capacity and rising operating expenses. In addition, governments have warned of potential coordinated cyberattacks on critical infrastructures. Additionally, the conflict triggered global sanctions across many jurisdictions, which may impact the global trade flows of iron ore products and steel, which could impact the Company's historical business relationships. While the Company has risk mitigation measures in place such as advance placement of orders to secure materials and supplier diversification (alternate sourcing), a prolonged conflict could continue to result in additional inflationary pressure, and supply chain and transportation disruption, which could materially adversely affect the Company's business, results of operations and profitability.

Operating Costs

The Company's financial performance is affected by its ability to achieve production volumes at certain cash operating costs. The Company's expectations with respect to cash operating costs of production are based on the mine plan that reflects the expected method by which the Company will mine Mineral Reserves at the Bloom Lake Mine and the expected costs associated with the plan. Actual iron ore production and cash operating costs may differ significantly from those the Company has anticipated for a number of reasons, including variations in the volume of ore mined and ore grade, which could occur because of changing mining rates, ore dilution, varying metallurgical and other ore characteristics and short-term mining conditions that require different sequential development of ore bodies or mining in different areas of the mine. Mining rates are impacted by various risks and hazards inherent at the operation, including natural phenomena, such as inclement weather conditions, and unexpected labour shortages or strikes or availability of mining fleet. Cash operating costs are also affected by ore characteristics that impacts recovery rates, labour costs, the cost of mining supplies and services, foreign currency exchange rates and stripping costs incurred during the production phase of the mine. In the normal course of operations, the Company manages each of these risks to mitigate, where possible, the effect they have on operating results.

Foreign Exchange

Iron ore is sold in U.S. dollars. Revenue generated by the Company from production on its properties are received in U.S. dollars while operating and capital costs are incurred primarily in Canadian dollars. The Company is therefore subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the U.S. dollar. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. However, historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. A decline in the U.S. dollar would result in a decrease in the real value of the Company's revenues and adversely impact the Company's financial performance. In addition, Champion's functional and reporting currency is Canadian dollars, while its Revolving Facility and Equipment Financing Facility are denominated in U.S. dollars. Therefore, as the exchange rate between the Canadian dollar and the U.S. dollar fluctuates, the Company will experience foreign exchange gains and losses, which can have a significant impact on its consolidated operating results.

Financial Risks (continued)

Interest Rates

The Company is exposed to interest rate risk, mainly as a result of certain of its borrowings being at variable rates of interest. As of March 31, 2022, US$202.6 million of the Company's borrowings was at variable rates. In order to manage inflation risks in accordance with their mandates, the central banks of several jurisdictions including Canada have recently announced increases to their benchmark rates and are expected to continue to increase their benchmark rates in the short to medium term. A significant, prolonged increase in interest rates could have a material adverse impact on the interest payable under the Company's long-term debt, long-term leases and other financial instruments, which could reduce the profitability of the Company and affect the trading prices of its Ordinary Shares.

Reduced Global Demand for Steel or Interruptions in Steel Production

The global steel manufacturing industry has historically been subject to fluctuations based on a variety of factors, including general economic conditions and interest rates. Fluctuations in the demand for steel can lead to similar fluctuations in iron ore demand. The Chinese market is a significant source of global demand for commodities, including steel and iron ore. Chinese demand has been a major driver in global commodities markets for a number of years. A slowing in China's economic growth or the establishment by China of trade protection measures such as tariffs and import and export restrictions could result in lower prices and demand for iron ore. A decrease in economic growth rates could lead to a reduction in demand for iron ore. Any decrease in economic growth or steel consumption could have an adverse effect on the demand for iron ore and consequently on the Company's ability to obtain financing, to achieve production and on its financial performance. See also "Global Financial Conditions and Capital Markets" above.

Global carbon tax and carbon import duties

There continues to be an increasing focus on carbon (also referred to as "greenhouse gas" or GHG) emissions produced by the mining and other industries. Legislation and regulations in various jurisdictions aimed at reducing domestic greenhouse gas emissions and implementing systems to prevent the import of goods with embedded emissions continue to be considered or adopted. While we expect that carbon taxes will increase over time, it is not yet possible to reasonably estimate the nature, extent, timing and cost or other impacts of any future taxes or other programs that may be enacted, including the impact on demand for iron ore products from traditional steel producers and other customers, and the impact on the Company's ability to sell its products to customers. Additionally, as countries attempt to implement systems to prevent the import of goods with embedded emissions, carbon import duties may impact the Company's historical trade partners, sales and financial performance. See "Climate Change and ESG Matters" below.

Operational Risks

Mineral Exploration, Development and Operating Risks

Mineral exploration is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. Resource acquisition, exploration, development and operation involve significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices, which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations), social acceptance by the local communities and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company's not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Company will result in the establishment or expansion of resources or reserves.

Risk Factors (continued)

Operational Risks (continued)

Mineral Exploration, Development and Operating Risks (continued)

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of iron ore and other minerals, including, but not limited to, environmental hazards (including hazards relating to the discharge of pollutants), industrial accidents, labor force disruptions, health crises (including epidemics and pandemics), adjacent or adverse land or mineral ownership rights or claims that may result in constraints on current or future mining operations, unavailability of materials and equipment, equipment failures, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical conditions or formations, unanticipated ground and water conditions, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls or tailings dams, pit flooding, fire, explosions and natural phenomena and "acts of God" such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in, among other things, damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays in mining, limited mine site access, difficulty selling concentrate to customers, reputational loss, monetary payments and losses and possible legal liability. As a result, production may fall below historic or estimated levels and Champion may incur significant costs or experience significant delays that could have a material adverse effect on its financial performance, liquidity and results of operations. The Company maintains insurance to cover some of these risks and hazards; however, such insurance may not provide sufficient coverage in certain circumstances or may not be available or otherwise adequate for the Company's needs. See also "Risk Factors – Insurance and Uninsured Risks" below.

The Company's processing facility is dependent on continuous mine feed to remain in operation. Insofar as the Bloom Lake Mine does not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, supply interruptions, export or import restrictions, labour force disruptions or other causes, may have an immediate adverse effect on the results of its operations. A significant reduction in mine feed or processing throughput at the mine could cause the unit cost of production to increase to a point where the Company could determine that some or all of its reserves are or could be uneconomic to exploit.

The Company periodically reviews mining schedules, production levels and asset lives in its LOM planning for all of its operating and development properties. Significant changes in the LOM plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology, iron ore price assumptions and other factors. Based on this analysis, the Company reviews its accounting estimates and, in the event of impairment, may be required to write-down the carrying value of one or more of its long-lived assets. This complex process continues for the entire duration of the LOM. See also "Risk Factors – Ability to Support the Carrying Value of Non-Current Assets" below.

In addition, any current and future mining operations are and will be subject to the risks inherent in mining, including adverse fluctuations in commodity prices, fuel prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy, access and transportation costs, supply chain cost increases and distruption, delays and repair costs resulting from equipment failure, changes in the regulatory environment, industrial accidents and labour actions or unrest. The occurrence of any of these events could materially and adversely affect the development of a project or the operations of a facility, including the completion of the Phase II expansion of the Bloom Lake Mine, which could have a material adverse impact on the Company.

As well, risks may arise with respect to the management of tailings and waste rock, mine closure, rehabilitation and management of closed mine sites (regardless of whether the Company operated the mine site or acquired it after operations were conducted by others). Financial assurances may also be required with respect to closure and rehabilitation costs, which may increase significantly over time and reserved amounts may not be sufficient to address actual obligations at the time of decommissioning and rehabilitation.

As a result of the foregoing risks, and in particular, where a project is in a development stage, expenditures on any and all projects, actual production quantities and rates, and cash costs may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates may be delayed materially, in each case especially to the extent development projects are involved. Any such events can materially and adversely affect the Company's business, financial condition, results of operations and cash flows.

Risk Factors (continued)

Operational Risks (continued)

Uncertainty of Mineral Resource and Mineral Reserve Estimates

Although the Mineral Resource and Mineral Reserve estimates included herein have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that any particular level of recovery of iron ore or other minerals will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Additionally, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Estimates of Mineral Resources and Mineral Reserves can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ dramatically from that indicated by results of drilling, sampling and other similar examinations. Short-term factors relating to Mineral Resources and Mineral Reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in Mineral Resources and Mineral Reserves, grades, stripping ratios or recovery rates may affect the economic viability of projects. Mineral Resources and Mineral Reserves are reported as general indicators of mine life. Mineral Resources and Mineral Reserves should not be interpreted as assurances of potential mine life or of the profitability of current or future operations. There is a degree of uncertainty attributable to the calculation and estimation of Mineral Resources and Mineral Reserves and corresponding grades. Until ore is actually mined and processed, Mineral Resources and Mineral Reserves and grades must be considered as estimates only. In addition, the quantity of Mineral Resources and Mineral Reserves may vary depending on mineral prices. Any material change in resources, Mineral Resources or Mineral Reserves, or grades or stripping ratios, in particular those of the Bloom Lake Mine, will affect the economic viability of the Company's projects.

Uncertainties and Risks Relating to Feasibility Studies

Feasibility studies are used to determine the economic viability of a deposit, as are pre-feasibility studies and preliminary assessments. Feasibility studies are the most detailed and reflect a higher level of confidence in the reported capital and operating costs. Generally accepted levels of confidence are plus or minus 15% for feasibility studies, plus or minus 25-30% for pre-feasibility studies and plus or minus 35-40% for preliminary economic assessments. While the Phase II Feasibility Study is based on the best information available to the Company, it cannot be certain that actual costs will not significantly exceed the estimated cost. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future mineral and metal prices.

In addition, ongoing mining operations at the Bloom Lake Mine are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralization, favourable geological conditions, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Actual operating results may differ from those anticipated in the Feasibility Study or the Phase II Feasibility Study. The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, pandemics, government-imposed restrictions on operations, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in ongoing or future commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties, and as a result, the Company cannot give any assurance that the Phase II Feasibility Study results will not be subject to change and revisions.

Operational Risks (continued)

Dependence on the Bloom Lake Mine

While the Company may invest in additional mining and exploration projects in the future, the Bloom Lake Mine is currently the Company's sole producing asset providing all of the Company's operating revenue and cash flows. Consequently, a delay or any difficulty encountered in the operations at the Bloom Lake Mine, including with respect to the realization or timing of the remaining milestones of the Phase II expansion project, would materially and adversely affect the financial condition and financial sustainability of the Company. In addition, the results of operations of the Company could be materially and adversely affected by any events which cause the Bloom Lake Mine to operate at less than optimal capacity, including, among other things, equipment failure, adverse weather, serious environmental, public health and safety issues, any permitting or licensing issues and any failure to produce expected amounts of iron ore. See also "Liquidity / Financing Risk" above and "Public Health Crises" below.

Development and Expansion Projects Risks

The Company's ability to meet development and production schedules and cost estimates for its development and expansion projects cannot be assured. Without limiting the generality of the foregoing, the Company is working towards commercial production for the Phase II expansion project of the Bloom Lake Mine, which will require capital expenditures and various environmental and other permits and governmental authorizations. Construction and development of these projects are subject to numerous risks, including, without limitation, risks relating to: significant cost overruns due to, among other things, delays, changes to inputs or changes to engineering; delays in construction and technical and other problems, including adverse geotechnical conditions and other obstacles to construction; ability to obtain regulatory approvals or permits, on a timely basis or at all; ability to comply with any conditions imposed by regulatory approvals or permits, maintain such approvals and permits or obtain any required amendments to existing regulatory approvals or permits; accuracy of reserve and resource estimates; accuracy of engineering and changes in scope; adverse regulatory developments, including the imposition of new regulations; significant fluctuations in iron ore and other commodity prices, fuel and utilities prices, which may affect the profitability of the projects; community action or other disruptive activities by stakeholders; adequacy and availability of a skilled workforce; strikes; difficulties in procuring or a failure to procure required supplies and resources to construct and operate a mine; availability, supply and cost of water and power; weather or severe climate impacts; litigation; dependence on third parties for services and utilities; development of required infrastructure; a failure to develop or manage a project in accordance with the planning expectations or to properly manage the transition to an operating mine; the reliance on contractors and other third-parties for management, engineering, construction and other services, and the risk that they may not perform as anticipated and unanticipated disputes may arise between them and the Company; and the effects of the COVID-19 pandemic or other potential pandemics, including regulatory measures intended to address the pandemic or operating restrictions imposed to protect workers, supply chain impacts and other factors. These and other risks could lead to delays in developing certain properties or delays in current mining operations, and such delays could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Replacement of Mineral Reserves

The Bloom Lake Mine is currently the Company's only source of production. The Company's ability to maintain, past the current life of mine at the Bloom Lake Mine, or increase its annual production will depend on its ability to bring new mines into production and to expand Mineral Reserves at the Bloom Lake Mine. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish Mineral Reserves and to construct mining and processing facilities. As a result of these uncertainties, there is no assurance that current or future exploration programs may be successful. There is a risk that depletion of reserves will not be offset by discoveries. As a result, the reserve base of the Company may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current LOM, based on current production rates, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Environmental Risks and Hazards

The operations of the Company are subject to environmental laws and regulations relating to the protection of the environment (including living things), occupational health and safety, hazardous or toxic substances, wastes, pollutants, contaminants or other regulated or prohibited substances or dangerous goods (collectively, "Environmental Laws"), as adopted and amended from time to time. Environmental Laws provide for, among other thing, restrictions and prohibitions on spills, releases and emissions of various substances produced in association with, or resulting from, mining industry operations, such as seepage from tailings disposal areas that result in environmental pollution. A breach of Environmental Laws may result in the imposition of fines, penalties, restrictive orders or other enforcement actions. In addition, certain types of operations require the submission and approval of environmental impact assessments or other environmental authorizations.

Operational Risks (continued)

Environmental Risks and Hazards (continued)

Environmental Laws are evolving toward stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with such changes to Environmental Laws has a potential to adversely impact the Company's future cash flows, earnings, results of operations and financial condition.

The Company's operation is subject to environmental regulations which are enforced primarily by the Department of Environment, Climate Change and Municipalities (Newfoundland and Labrador), the Ministry of the Environment and the Fight against Climate Change (Québec), Fisheries and Oceans Canada, and Environment and Climate Change Canada.

Reclamation Costs and Related Liabilities

The Company is required to submit for government approval a reclamation plan in connection with certain mining sites, to submit financial warranties covering the anticipated cost of completing the work required under such a plan, and to pay for the reclamation work upon the completion or cessation of certain mining activities. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required. Any significant increases over the Company's current estimates of future cash outflows for reclamation costs, as a result of the Company being required to carry out unanticipated reclamation work or otherwise, could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Applicable Laws and Regulations

Exploration, development and mining of minerals are subject to extensive and complex federal, provincial and local laws and regulations, including laws and regulations governing acquisition of mining interests, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, land claims of aboriginal peoples and local people, environmental protection and remediation, endangered and protected species, mine safety and other matters. The costs of compliance and any changes to the Company's operations mandated by new or amended laws or regulations, may be significant. Such costs and delays may materially adversely impact the Company's business, results of operations or financial condition. Furthermore, any violations of these laws or regulations may result in substantial fines and penalties, remediation costs, third party damages, or a suspension or cessation of the Company's operations, which could materially adversely affect the Company's business, results of operations or financial condition.

Potential First Nations Land Claims

The Company conducts its operations in the Province of Québec and in the Province of Newfoundland and Labrador, which areas are subject to conflicting First Nations land claims. Aboriginal claims to lands, and the conflicting claims to traditional rights between Aboriginal groups, may have an impact on the Company's ability to develop its properties.

Pursuant to section 35 of The Constitution Act of 1982, the Federal and Provincial Crowns (including those of the Provinces of Québec and Newfoundland and Labrador) have in some circumstances a duty to consult and a duty to accommodate Aboriginal peoples. When development is proposed in an area to which an Aboriginal group asserts Aboriginal rights or Aboriginal title, and a credible claim to such rights or title has been made, a developer may also be required by the Crown to conduct consultations with Aboriginal groups which may be affected by the proposed project and, in some circumstances, accommodate them. The outcome of such consultations may significantly delay or even prevent the development of the Company's properties.

There is an increasing level of public concern relating to the perceived effect of mining activities on indigenous communities. The evolving expectations related to human rights, indigenous rights and environmental protection may adversely impact the Company's current or future activities. Such opposition may be directed through legal or administrative proceedings, against the government and/or the Company, or expressed in manifestations such as protests, delayed or protracted consultations, blockades or other forms of public expression against the Company's activities or against the government's position. There can be no assurance that these relationships can be successfully managed. Intervention by the aforementioned groups may have a material adverse effect on the Company's reputation, results of operations and financial performance.

Risk Factors (continued)

Operational Risks (continued)

Potential First Nations Land Claims (continued)

The development and the operation of the Company's properties may require the entering into of impact and benefits agreements ("IBAs") or other agreements with the affected First Nations. As a result of such IBAs or other agreements, the Company may incur significant financial or other obligations to affected First Nations.

On April 12, 2017, the Company, through QIO, entered into an IBA with the Uashaunnuat, Innu of Uashat and of Mani-Utenam, the Innu Takuaikan Uashat Mak Mani-Utenam Band No. 80 and the Innu Takuaikan Uashat Mak Mani-Utenam Band Council with respect to future operations at Bloom Lake (the "Bloom Lake IBA"). The Bloom Lake IBA is a LOM agreement and provides for real participation in Bloom Lake for the Uashaunnuat in the form of training, jobs and contract opportunities and ensures that the Innu of Takuaikan Uashat Mak Mani-Utenam receive fair and equitable financial and socio-economic benefits. The Bloom Lake IBA also contains provisions which recognize and support the culture, traditions and values of the Innu of Takuaikan Uashat Mak Mani-Utenam, including recognition of their bond with the natural environment.

The negotiation of any IBA required in the future for other projects may significantly delay the development of the properties. There can be no assurance that the Company will be successful in reaching an IBA or other agreement with First Nation groups asserting Aboriginal rights or Aboriginal title or who may have a claim which affects the Kami Project, the Consolidated Fire Lake North project, Quinto Claims or any of the Company's other projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company or, where applicable, in the name of its joint venture partners, there can be no assurance that such title will ultimately be secured. Title to, and the area of, mineral concessions may be disputed, and there is no assurance that the interests of the Company in any of its properties may not be challenged or impugned. Third parties may have valid claims on underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including land claims by indigenous groups, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to conduct its operations on one or more of its properties as currently anticipated or permitted or to enforce its rights in respect of its properties.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry out the activities which it is currently conducting under applicable laws and regulations, and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, there can be no assurance that the Company will be able to obtain all necessary licenses and permits required in the future to carry out exploration, development and mining operations at its projects on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project or the operation or further development of a mine, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Operational Risks (continued)

Climate Change and ESG Matters

Champion recognizes that climate change is a global challenge that will affect its business in a range of possible ways. Champion's mining and processing operations are energy intensive, resulting in a carbon footprint either directly or through the purchase of fossil-fuel based energy. As a result, the Company is impacted by current and emerging policy and regulations relating to the greenhouse gas emission levels, energy efficiency and reporting of climate change related risks. While some of the costs associated with reducing emissions may be offset by increased energy efficiency and technological innovation, the current regulatory trend may result in additional transition costs at Champion's operations. In addition, the physical risks of climate change may also have an adverse effect on Champion's business and operations. These may include increased incidence of extreme weather events and conditions, resource shortages, changes in rainfall and storm patterns and intensities and changing temperatures. Associated with these physical risks is an increasing risk of climate-related litigation (including class actions) and the associated costs. In addition, global efforts to transition to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, focus and jurisdiction of these changes, transition risks may pose varying levels of financial and reputational risk to the business.

Stakeholders are seeking enhanced disclosure of the material risks, opportunities, financial impacts and governance processes related to climate change. Adverse publicity or climate-related litigation could have an adverse effect on Champion's reputation, financial condition or results of operations.

In addition, there is increased investor attention on environmental, social and governance ("ESG") issues more generally. Notwithstanding our commitment to conducting our business in a socially responsible manner, to the extent mining companies fall out of favour with some investors due to the industry's real or perceived impacts on climate change and its perceived role in a transition to a low carbon economy, this could negatively affect our shareholder base and access to capital.

Public Health Crises

The Company's business, operations and financial condition could be materially and adversely affected by outbreaks of epidemics or pandemics or other health crises, including the COVID-19 pandemic, including as a result of the emergence of other variants of the virus in the future. On January 30, 2020, the World Health Organization declared the outbreak a public health event of international concern, and on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. During the financial year ended March 31, 2021, the Government of Québec imposed restrictive measures pursuant to which companies involved in the mining industry were required to reduce mining activities in the Province of Québec to a minimum, which resulted in the Company ramping down operations for a portion of March and April 2020. Although, as announced by the Company on April 23, 2020 following the Québec Government's announcement that mining activities were to be considered a "priority service" in the Province of Québec effective April 15, 2020, the operations gradually ramped up and although early actions implemented by management of the Company in response to the COVID-19 pandemic minimized its impacts on the Company and its operations, there is no certainty that there will be no further reductions or disruptions to the Company's mining and operating activities. The recent resurgence of the COVID-19 virus and the recent spread of new variants thereof and the possibility that a resurgence of the COVID-19 virus or the spread of such new or other variants or mutations thereof may occur in other areas, has resulted in the re-imposition of certain of the foregoing restrictions, and may result in further restrictions, by governmental authorities in certain jurisdictions, including certain jurisdictions in which we operate. This further increases the risk and uncertainty as to the extent and duration of the COVID-19 pandemic and its ultimate impact on the global economy.

Since the beginning of the outbreak of COVID-19, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity worldwide. The COVID-19 outbreak has caused companies and various international jurisdictions to impose significant travel, gathering and other public health restrictions. The impact of COVID-19 on global supply chains, and in particular its impact on the mining industry, is still evolving. The speed and extent of the spread of COVID-19 (which for purposes of this Annual Report, where applicable, includes any variants thereof), the actions that may be taken by governmental authorities in response thereto and in each case, the related financial and social impact, are uncertain. Further, the extent and manner to which COVID-19, and measures taken by governmental authorities, the Company or others to attempt to reduce the spread of COVID-19, may affect the Company cannot be predicted with certainty. The Company cannot estimate whether any additional restrictions will be imposed on its activities or whether any additional measures will be taken by governments (including measures that result in the suspension or reduction of mining operations) and the potential financial and operational impact thereof, including impact on employee health, workforce productivity and availability, travel restrictions, contractor availability, supply availability, ability to sell or deliver iron ore and the availability of insurance and the cost thereof.

Operational Risks (continued)

Public Health Crises (continued)

Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations, increased labour, shipping and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Similarly, the Company's ability to obtain financing and the ability of the Company's vendors, suppliers, consultants and partners to meet their obligations to the Company may be impacted as a result of the COVID-19 outbreak and efforts to contain the virus. Consequently, the COVID-19 outbreak or potential future public health crises may have a material adverse effect on the Company's business, results of operations and financial condition. The full extent to which COVID-19 (including as a result of the effect of other variants of the virus in the future) and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including the duration, severity and geographic spread of the COVID-19 virus and variants and mutations thereof; further actions that may be taken by governmental authorities, including in respect of travel restrictions and business disruptions, the effectiveness and timing of actions taken to contain and treat the COVID-19 virus and variants and mutations thereof, including the vaccines developed in response thereto and the rates of vaccination among population, and how quickly and to what extent normal economic and operating conditions can resume.

Depending on the extent and duration of the COVID-19 pandemic, it may also have the effect of heightening many of the other risks described in this Annual Report including the risks relating to the iron ore and other mineral prices, the Company's exposure to commodity prices; the successful completion of the Phase II expansion, including the expected return on investment thereof; restricted access to capital and increased borrowing costs; the Company's ability to service obligations under its debt obligations and otherwise complying with the covenants contained in the agreements that govern the Company's indebtedness.

Infrastructure and Reliance on Third Parties for Transportation of the Company's Iron Ore Concentrate

Some of the Company's properties are located in relatively remote areas at some distance from existing infrastructure. Active mineral exploitation at any such properties would require building, adding or extending infrastructure, which could add to time and cost required for mine development.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. In order to develop mines on its properties, the Company has entered into various agreements for various infrastructure requirements, including for rail transportation, power and port access with various industry participants, including external service and utility providers. These are important determinants affecting capital and operating costs. The Company has concluded agreements with the relevant rail companies, loading and port authorities necessary for the transportation and handling of production of Bloom Lake iron ore, including from the Phase II expansion, and disruptions in their services could affect the operation and profitability of the Company.

In addition, there is no certainty that the Company will be able to continue to access sources of power on economically feasible terms for all of its projects and requirements and this could have a material adverse effect on the Company's results of operations and financial condition.

Reliance on Small Number of Significant Customers

The Company currently relies on a small number of significant customers in connection with the sale of its iron ore. As a result of this reliance on the limited number of customers, the Company could be subject to adverse consequences if any of these customers breaches their purchase commitments.

Availability of Reasonably Priced Raw Materials and Mining Equipment

The Company requires and will continue to require a variety of raw materials in its business as well as a wide variety of mining equipment. In 2021 and 2022, supply chains were affected by a number of factors, including inflation affecting the price of raw materials and transportation, and supply chain disruptions resulting from the COVID-19 pandemic and other factors. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Company's production and financial performance could be adversely affected.

Operational Risks (continued)

Dependence on Third Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish Mineral Resources and Mineral Reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Reliance on Information Technology Systems

The Company's operations are dependent upon information technology systems. The Company's operations depend on the timely maintenance, upgrade and replacement of these systems, as well as pre-emptive efforts to mitigate cybersecurity risks and other technology system disruptions. In addition, measures taken as a result of the COVID-19 pandemic have resulted in certain of the Company's workforce working remotely, which has increased the Company's reliance on its IT systems and associated risks. These systems are subject to disruption, damage or failure from a variety of sources, including an increasing threat of continually evolving cybersecurity risks. Failures in the Company's information technology systems could translate into production downtimes, operational delays, compromising of confidential information, destruction or corruption of data, loss of production or accidental discharge; expensive remediation efforts; distraction of management; damage to the Company's reputation; or events of noncompliance which could lead to regulatory fines or penalties or ransom payments. Accordingly, any failure in the Company's information technology systems could materially adversely affect its financial condition and results of operation. Information technology systems failures could also materially adversely affect the effectiveness of the Company's internal controls over financial reporting.

Cybersecurity Threats

The Company's operations depend, in part, on how well it and its suppliers protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyber-attacks. Cybersecurity threats include attempts to gain unauthorized access to data or automated network systems and the manipulation or improper use of information technology systems. A failure of any part of the Company's information technology systems could, depending on the nature of such failure, materially adversely impact the Company's reputation, financial condition and results of operations. The Company is subject to cybersecurity attacks and related threats from time to time. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities. In addition, the Company's insurance coverage for cyber-attacks may not be sufficient to cover all the losses it may experience as a result of a cyber incident.

The Company and its third party service provides also collects, uses, discloses, stores, transmits and otherwise processes customer, supplier and employee and others' data as part of its business and operations, which may include personal data or confidential or proprietary information. There can be no assurance that any security measures that the Company or its third-party service providers have implemented will be effective against current or future security threats. If a compromise of such data were to occur, the Company may become liable under its contracts with other parties and under applicable law for damages and incur penalties and other costs to respond to, investigate and remedy such an incident. Depending on the facts and circumstances of such an incident, these damages, penalties, fines and costs could be significant. Any such event could harm the Company's reputation and result in litigation against it.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, agreements with customers and third parties, environmental laws, volatility in stock price or failure or alleged failure to comply with disclosure obligations. The Company has in the past been, and may in the future be, involved in various legal proceedings. While the Company is not aware of any pending or contemplated legal proceedings the outcome of which could have a material adverse effect on the Company's financial condition and results of operations, the Company may become subject to legal proceedings in the future, the outcome of which is uncertain, and may incur defense costs in connection therewith, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular or several combined legal proceedings will not have a material adverse effect on the Company's financial condition and results of operations.

Risk Factors (continued)

Other Risks

Volatility of Stock Price

In recent years, the securities markets in Australia and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Ordinary Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings and that the value of the Ordinary Shares will be affected by such volatility.

Certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Ordinary Shares by those institutions, which could materially adversely affect the trading price of the Ordinary Shares.

Reputational Risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived socially and in the marketplace. Damage to Champion's reputation can result from the actual or perceived occurrence of any number of events, including any negative publicity (for example with respect to Champion's handling of environmental matters or its relations with stakeholders), whether true or not. Champion places a great emphasis on protecting its image and reputation by managing its social media and other web-based platforms, but it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, ability to secure labour and ability to finance, ability to secure permits and governmental approvals, decreased investor confidence and impediments to Champion's overall ability to advance its projects, thereby having a material adverse impact on its financial performance, cash flows, operations and growth prospects.

Internal Controls and Procedures

Management of the Company has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the financial statements of the Company do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented thereby, and (ii) the financial statements of the Company fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented. The Company files certifications of annual and interim filings, signed by the Company's Chief Executive Officer and Chief Financial Officer, as required by National Instrument 52-109 – Issuers' Annual and Interim Filings. In such certifications, the Company's Chief Executive Officer and Chief Financial Officer certify the appropriateness of the financial disclosure in the Company's filings with the securities regulators, the design and effectiveness of the Company's disclosure controls and procedures and the design and effectiveness of internal controls over financial reporting at the respective financial period end. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate.

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported. They are not a guarantee of perfection. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statements preparation. Any failure of the Company's internal controls and procedures could result in improper disclosure to the financial markets, which could adversely affect the Company's reputation, business, results of operations and ability to finance.

Other Risks (continued)

Insurance and Uninsured Risks

The Company currently maintains insurance to protect it against certain risks related to its current operations (including, among others, directors' and officers' liability insurance) in amounts that it believes are reasonable depending upon the circumstances surrounding each identified risk. However, the Company is unable to maintain insurance to cover all risks at economically feasible premiums, and in certain cases, insurance coverage may not be available or may not be adequate to cover any resulting liability (such as, for example, matters relating to environmental losses and pollution). Consequently, the Company may elect not to insure against certain risks due to high premiums or for various other reasons. Accordingly, insurance maintained by the Company does not cover all of the potential risks associated with its operations. In addition, no assurance can be given that the current insurance maintained by the Company will continue to be available at economically feasible premiums or at all, that the Company will obtain or maintain such insurance or that such insurance will provide sufficient coverage for any future losses. As a result, the Company's property, liability and other insurance may not provide sufficient coverage for losses related to the risks identified in this Annual Report or other risks or hazards. Should liabilities arise as a result of insufficient or non-existent insurance, any future profitability could be reduced or eliminated and delays, increases in costs and legal liability could result, each of which could have a material adverse impact on the Company's cash flows, earnings, results of operations and financial condition.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other companies involved in the mining industry or have significant shareholdings in such companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Company. In the event that such a conflict of interest arises, a director is required to disclose the conflict of interest and to abstain from voting on the matter.

Dependence on Management and Key Personnel

The Company is dependent on the services of key executives, including a small number of highly skilled and experienced executives and personnel. The Company's development to date has largely depended, and in the future will continue to depend, on the efforts of management and other key personnel to develop its projects. Loss of any of these people, particularly to competitors, could have a material adverse impact on the Company. In addition, the Company' success also depends, in part, on its continuing ability to identify, recruit, train, develop and retain other qualified managerial and technical employees with specialized market knowledge and technical skills to build and maintain its operations. If the Company requires such persons and is unable to successfully recruit and retain them, its development and growth could be significantly curtailed.

Employee Relations

Champion's ability to achieve its future goals and objectives is dependent, in part, on maintaining good relations with its employees, minimizing employee turnover and attracting new skilled workforce. Work stoppages, prolonged labor disruptions or other industrial relations events at Champion's major capital projects, as well as inability to recruit and retain qualified employees, could lead to project delays or increased costs and have a material adverse impact on Champion's projects, the completion, including the timing thereof, of the Bloom Lake Phase II expansion project, the Company's cash flows, earnings, results of operations and financial condition.

Although the Company and its mine site workers agreed on the terms of a new 3-year collective agreement on June 23, 2021, the Company cannot predict the outcome of any future negotiations relating to labour disputes, union representation or the renewal of any collective agreement relating to its employees, nor can the Company assure that it will not experience work stoppages, strikes, property damage or other forms of labour protests pending the outcome of any future negotiations. If its unionized workers engage in a strike or any other form of work stoppage, it could experience a significant disruption to its operations, damage to its property and/or interruption to its services, which could have a material adverse effect on the Company's business, results of operations or financial condition.

Competitive Conditions

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential and for management and technical personnel. The Company's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Company will compete in each of these respects with other parties, many of which have greater financial resources than the Company. Accordingly, there can be no assurance that any of the Company's future acquisition efforts will be successful or that it will be able to attract and retain required personnel. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Other Risks (continued)

Dilution and Future Sales

The Company may from time to time undertake offerings of its Ordinary Shares or of securities convertible into Ordinary Shares, and it may also enter into acquisition agreements under which it may issue Ordinary Shares in satisfaction of certain required payments. An increase in the number of Ordinary Shares issued and outstanding and the prospect of issuance of Ordinary Shares upon conversion of convertible securities may have a depressive effect on the price of Ordinary Shares. In addition, as a result of such additional Ordinary Shares, the voting power and equity interests of the Ordinary Shareholders will be diluted. Furthermore, sales of a large number of Ordinary Shares in the public markets, or the potential for such sales, could decrease the trading price of the Ordinary Shares and could impair the Company's ability to raise capital through future sales of Ordinary Shares.

Joint Ventures and Option Agreements

From time to time, the Company may participate in the acquisition, exploration and development of natural resource properties through options, joint ventures or other structures, thereby allowing for its participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. From time to time, the Company may enter into option agreements and joint ventures as a means of gaining property interests and raising funds. In determining whether or not the Company will participate in a particular program, the structure of its participation and the interest therein to be acquired by it, the directors of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time. In some of those arrangements, a failure of the Company to fund its proportionate share of the ongoing costs could result in its proportionate share being diluted and possibly eliminated.

Any failure of any option or joint venture partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on such agreements. In addition, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements.

Anti-Corruption and Anti-Bribery Laws

The Company may be impacted by anti-bribery, anti-corruption, and related business conduct laws. The Canadian Corruption of Foreign Public Officials Act and anti-bribery and anticorruption laws in other jurisdictions where we do business, prohibit companies and their intermediaries from making improper payments for the purposes of obtaining or retaining business or other commercial advantages. The Company's policies mandate compliance with these laws, the failure of which often carry substantial penalties. There can be no assurances that the Company's internal control policies and procedures will always protect it from inappropriate acts committed by the Company's affiliates, employees, or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's reputation, business, financial position, and results of operations.

Ability to Support the Carrying Value of Non-Current Assets

As of March 31, 2022, the carrying value of Champion's non-current assets was approximately $1,393.3 million, or approximately 70% of Champion's total assets. Non-current assets are tested for impairment when events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. If indication of impairment exists, a non-current asset's recoverable amount is estimated. Such estimation is subjective and it involves making estimates and assumptions with respect to a number of factors, including, but not limited to, mine design, estimates of production levels and timing, Mineral Reserves and Mineral Resources, ore characteristics, operating costs and capital expenditures, as well as economic factors beyond management's control, such as iron ore prices, discount rates and observable net asset value multiples. If the recoverable amount is lower than the carrying value, Champion may be required to record an impairment loss on the non-current asset, which will reduce the Company's earnings. The timing and amount of such impairment charges are uncertain.

09 FORWARD-LOOKING STATEMENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

FORWARD-LOOKING STATEMENTS

This Annual Report contains certain information and statements, which may be deemed "forward-looking information" within the meaning of applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "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 in this Annual Report, other than statements of historical fact, that address future events, developments or performance that Champion expects to occur including management's expectations regarding

(i) the Company's Phase II expansion project and its milestones, commissioning and impact on mine and plant capacity, commercial production, nameplate capacity, job creation and reduction of emissions;
(ii) the revision of the Kami Project scope and feasibility study;
(iii) the feasibility study to evaluate the reprocessing and infrastructure required for the commercial production of a 69% Fe direct reduction pellet feed product;
(iv) the development of green steelmaking solutions and of cold pelletizing technologies and decarbonization initiatives;
(v) the collaboration with Caterpillar Inc. and Toromont Cat to develop, test and implement advanced drilling technologies aimed at optimizing Bloom Lake's operational productivity and reducing energy consumption;
(vi) growth opportunities;
(vii) demand for high-purity iron products;
(viii) the production of DR pellets at the new acquired pellet plant in Pointe-Noire;
(ix) the adaptation of governance practices to maintain compliance with the ASX Governance Principles and Recommendations;
(x) the mitigation of risks related to COVID-19 and the impact of COVID-19 on the overall economy, the operations and cash flows of the Company;
(xi) the impact of iron ore prices fluctuations;
(xii) global macroeconomics and iron ore industry conditions; and
(xiii) the impact of exchange rate fluctuations on the Company and its financial results are forward-looking statements.

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 described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. Actual reserves may be greater than or less than the estimates provided herein.

Cautionary Note Regarding Forward-Looking Statements (continued)

RISKS

Although Champion believes the expectations expected 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 the actual results to differ materially from those in forward-looking statements include, without limitation:

- the results of feasibility studies;
- changes in the assumptions used to prepare feasibility studies;
- project delays;
- continued availability of capital and financing and general economic, market or business conditions;
- general economic, competitive, political and social uncertainties;
- future prices of iron ore;
- failure of plant, equipment or processes to operate as anticipated;
- delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities;
- impact of COVID-19 on the global economy, the iron ore market and Champion Iron Limited's operations,

as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2022 Annual Information Form and the MD&A for the fiscal year ended March 31, 2022, all of which are available on SEDAR at www.sedar.com, 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

The forward-looking statements in this Annual Report are based on assumptions management believes to be reasonable and speak only as of the date of this Annual Report or as of the date or dates specified in such statements. The forward-looking statements contained herein are made as of the date hereof, or such other date or dates specified in such statements. Champion Iron undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be 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. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risk they entail.

10
COMPANY DIRECTORY

COMPANY DIRECTORY

DIRECTORS	Michael O'Keeffe	(Executive Chairman) - Non-independent
	Gary Lawler	(Non-Executive Director) - Independent
	Andrew Love	(Non-Executive Director) - Independent
	Michelle Cormier	(Non-Executive Director) - Independent
	Wayne Wouters	(Non-Executive Director) - Independent
	Jyothish George	(Non-Executive Director) - Independent
	Louise Grondin	(Non-Executive Director) - Independent
	David Cataford	(Executive Director and Chief Executive Officer) - Non-independent
COMPANY SECRETARY - AUSTRALIA	Pradip Devalia	
CORPORATE SECRETARY	Steve Boucratie	
REGISTERED OFFICE	Level 1, 91 Evans Street Rozelle NSW 2039, Australia Telephone: +61 2 9810 7816 Facsimile: +61 2 8065 5017 Website: www.championiron.com ACN 119 770 142	
PRINCIPLE ADMINISTRATIVE OFFICE	1100 René-Lévesque Blvd. West, Suite 610 Montreal. QC, H3B 4N4, Canada Telephone: +1 514-316-4858 Facsimile: +1 514-819-8100	
AUDITORS	**Ernst & Young** 200 George Street Sydney 2000 NSW, Australia	
SHARE REGISTRIES	**Automic Pty Ltd ("Automic Group")** Level 5, 126 Phillip Street Sydney NSW 2000, Australia Telephone: +61 2 9698 5414 Facsimile: +61 2 8583 3040 **TSX Trust Company** 301 - 100 Adelaide Street West Toronto, ON, Canada, M5H 4H1 Telephone: 416-342-1091 Toll-Free: +1-866-600-5869 Facsimile: 416-361-0470	
STOCK EXCHANGES	The Company's shares are listed on the Australian Stock Exchange (ASX), Toronto Stock Exchange (TSX) under the symbol CIA. The Company's shares are also available to trade on the OTCQX Best Market under symbol CIAFF.	
ASX CODE & TSX SYMBOL	CIA (Fully Paid Ordinary Shares)	

CHAMPION IRON