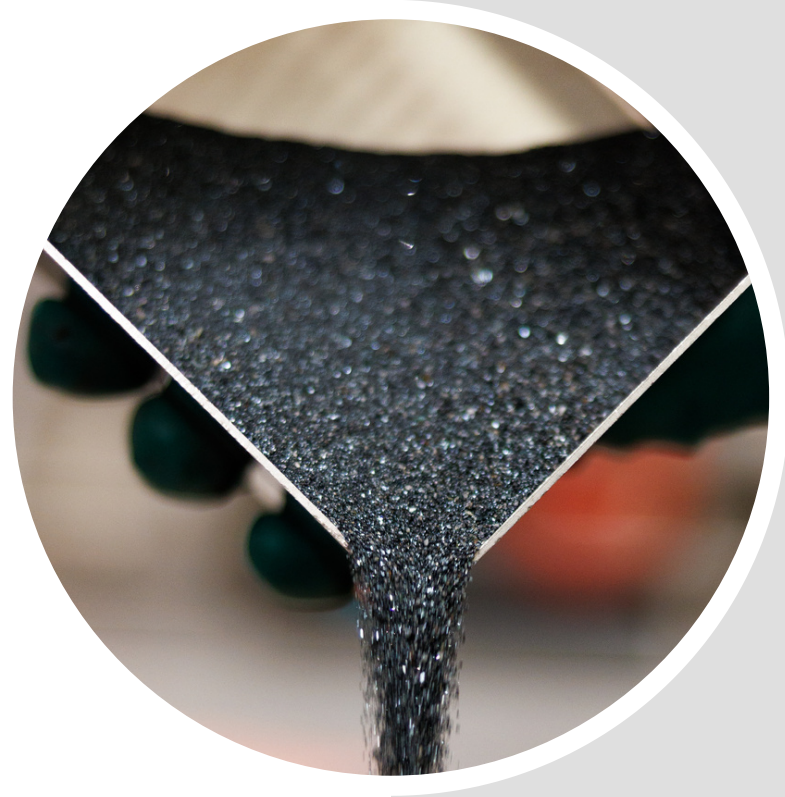




2022 SUSTAINABILITY REPORT

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ESG PERFORMANCE HIGHLIGHTS

ENVIRONMENT



- No occurrence of any major environmental issues
- In collaboration with First Nations communities, initiated a conservation and biodiversity management program aimed at preserving the local salmon population
- Improved usage of recycled water year on year to 96%, while significantly increasing our production
- Developed an ambitious compensation plan for the loss of fish habitat in relation to our Phase II expansion project with our First Nations partners and local stakeholders

SOCIAL



- Significant improvement in Health & Safety statistics year on year and introduced additional training programs to identify work-related incidents
- Declared that National Indigenous Peoples Day will be treated as an occasion for our employees to recognize and honour the culture of First Nations communities
- Deployed additional awareness initiatives aimed at educating employees regarding First Nations' history and culture
- In line with our values, developed in collaboration with our First Nations partners diversity and cultural training, which was completed by 100% of our employees
- Initiated an emergency fund to support a non-profit organization that offers resources and support to families in need in Sept-Îles

GOVERNANCE



- Added additional oversight of climate change related risks and opportunities by optimizing the Board Sustainability and Indigenous Affairs committee
- Committed to meet and maintain at least 30% female representation on our Board of Directors
- Onboarded and optimized a framework to achieve our first Towards Sustainable Mining ("TSM") verification



ABOUT THIS REPORT

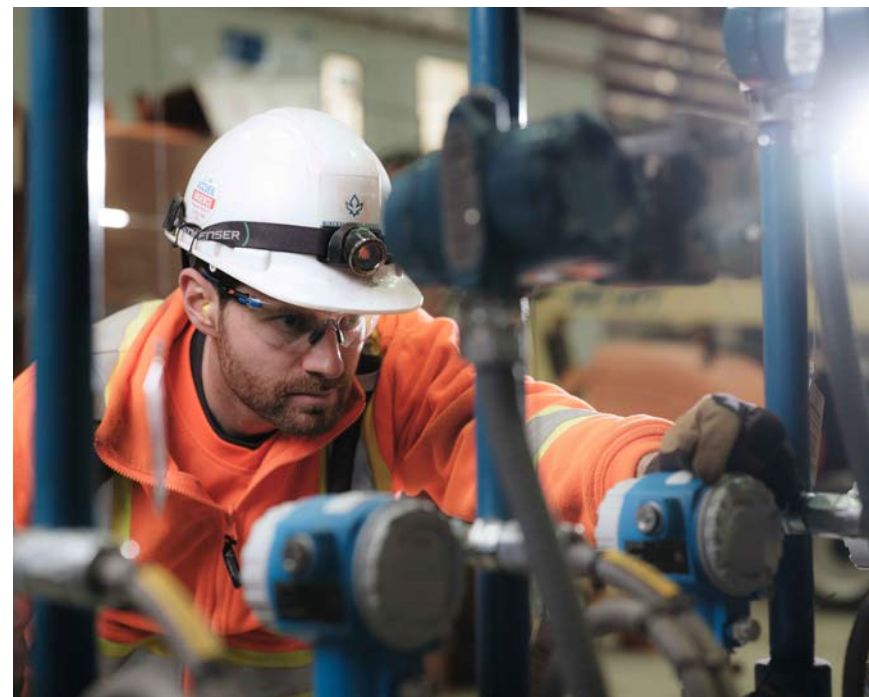
Champion Iron Limited (“Champion” or the “Company”) prepared this report in collaboration with its subsidiary, Quebec Iron Ore Inc. (“QIO”). The use of “Champion” and “the Company” in this report includes Champion Iron Limited and all its subsidiaries, including QIO. The report focuses on the Bloom Lake mining complex (“Bloom Lake Mining Complex” or “Bloom Lake”), the Company’s principal asset, which is operated by QIO.¹

Our Reporting Practice

Champion’s fifth annual sustainability report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards (2021) and G4 Mining and Metals Sector Disclosures. The report is also aligned with the Sustainability Accounting Standards Board (“SASB”) Metals & Mining Industry Standard and the Task Force on Climate-related Financial Disclosures (“TCFD”) reporting framework.

This report details Champion’s approach to managing material sustainability topics associated with our business activities, including the potential impacts of its operations. The 29 material topics identified during the materiality validation exercise have been systematically organized into clear chapter topics and subtopics inside the report. It additionally considers Champion’s values, business strategy, corporate sustainability policies, standards, procedures, management systems, and the broader regulatory and industry environment.

This report covers the period from January 1 to December 31, 2022. This excludes data for water stewardship, which cover the 12-month period from October 1, 2021 to September 30, 2022, consistent with previous reports. Financial data presented herein aligns with the Company’s 2023 financial year ending March 31, 2023.² There is no change in reporting period from our previous report. All data has been subject to internal reviews and evaluations.³ This report was approved for publication by the Executive Management of Champion (“Management” or the “Management team”) on May 30, 2023 (Montréal time) / May 31, 2023 (Sydney time). Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. The scope of the report covers Bloom Lake operations only.



The GRI, SASB and TCFD content index for the report is available in the Appendix, and in the ESG Databook on Champion’s website.

We welcome your comments and questions via our contact platform at the following address: info@championiron.com.

Performance Indicators:

GRI 2-1, 2-2, 2-3, 2-4, 2-5

¹ There are no differences between the list of entities covered by Champion’s financial reporting and our sustainability reporting. There have been no changes to how sustainability information is consolidated for reporting purposes.

² For administrative reasons, Champion’s reporting period and financial year do not align.

³ We will not be seeking external assurance for this report.

Message from the Chairman of the Board of Directors

Our Company concluded its 2023 financial year with both strong results and several feasibility-stage projects underway, which provide Champion with viable opportunities for additional organic growth. In keeping with our growth strategy, we continue to build a long-term sustainable business for the benefit of our shareholders and stakeholders. Incorporated in this vision is our optimized governance regime, where the Company has adapted its committees to provide additional oversight through its Social and Indigenous Affairs committee.

In connection with its product offerings, Champion's high-purity iron ore provides the steel industry with a rare solution to decarbonize steelmaking. Controlling one of the largest hubs of high-purity iron resources and reserves globally, our Company is well positioned to capitalize on this structural shift in the steel industry. The completion of the Bloom Lake Mine Phase II project, doubling its production capacity, will see Champion capitalize on the rising demand for high-purity iron ore globally, while also strengthening its position as a leader in the green steel supply chain. Leveraging our team's expertise, strong partnerships and community support, Champion is diligently and actively pursuing growth opportunities, including the recently announced Direct Reduction Pellet Feed ("DRPF") Project. The DRPF Project proposes to convert half of Bloom Lake's production to a market-leading high purity iron ore product, essential in the green steel supply chain. The DRPF Project would provide Champion the opportunity to engage with different customers using steelmaking methods designed to further reduce emissions, compared to the traditional steelmaking process.

I would like to thank our employees and partners for their contributions and for sharing our vision, enabling us to strengthen our positive impact, both locally and globally.

MICHAEL O'KEEFFE
EXECUTIVE CHAIRMAN OF THE BOARD



Message from the CEO

I am proud of our workforce and partners who contributed to the Phase II expansion project, despite the challenges imposed by the COVID-19 pandemic, enabling our Company to help decarbonize the steel industry while creating a positive impact for our partners and the region for decades.

While our growth is reflected in our 2023 operational results, our Company also advanced on many other fronts, including continuously increasing our workforce's knowledge of the culture of our First Nations partners. In support of this, we completed cultural workshops as part of our inaugural annual commitment to commemorate the National Day for Truth and Reconciliation. Additionally, we declared National Indigenous Peoples Day as an occasion for employees to honor First Nations culture.

As prioritized in our corporate values, we continued to implement health and safety measures to provide our Bloom Lake workforce with a safe work environment, together with systems to safeguard and protect the environment. The diligence of our people enabled us to report another year with no significant adverse environmental events or violations, in addition to improving health and safety statistics year on year. Champion also continued to work on its commitment to meet its 2030 GHG emission reduction plans and goal to be carbon neutral by 2050. Additionally, to improve the transparency of the work programs designed to achieve our goals, we committed to disclose our emission reduction initiatives, in addition to monitoring and reporting on their results.

Benefiting from local support, access to renewable power and our world-class high-purity iron ore resources, our Company is well-positioned to contribute significantly to the global fight against climate change. Every tonne of high-purity iron ore that Champion produces plays a significant role in reducing global steelmaking-related emissions. Steel is foundational to society and is required in our everyday lives, including our transportation needs, the infrastructure that surrounds us and the homes we live in. Steel is also critical to decarbonize our economies as the transition towards a net zero world requires additional infrastructure to service renewable power such as windmills, solar panels and hydroelectricity plants. We are proud of our participation in the greening of the steel industry, responsibly reducing the world's emissions footprint, while enhancing shareholder value through prudent organic growth.

DAVID CATAFORD
CEO

Performance Indicators:
GRI 2-22



ABOUT CHAMPION

Champion, through its wholly-owned subsidiary QIO, owns and operates the Bloom Lake Mining Complex, located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec. Bloom Lake is an open-pit operation with two concentrators that primarily source energy from renewable hydroelectric power. The two concentrators have a combined nameplate capacity of 15 Mtpa and produce a low contaminant high-grade 66.2% Fe iron ore concentrate with a 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 has sold its iron ore concentrate to customers globally, including in China, Japan, the Middle East, Europe, South Korea, India and Canada. In addition to Bloom Lake, Champion owns a portfolio of exploration and development projects in the Labrador Trough, including the Kamistiatuset ("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.

The Company was incorporated under the laws of Australia in 2006 and is listed on the Toronto Stock Exchange (TSX: CIA), the Australian Securities Exchange (ASX: CIA), and is available to trade on the OTCQX Best Market marketplace of the OTC Markets Group (OTCQX: CIAFF). Champion is headquartered in Rozelle NSW, Australia, and its principal administrative office is located in Montréal, Québec, Canada.

Champion continuously strives to create value for all its stakeholders, while contributing to the long-term sustainable development of communities where it operates, while respecting the environment. The Company prides itself on cultivating strong, mutually beneficial partnerships, including those with the local First Nations communities of Uashat Mak Mani-utenam and Matimekush-Lac John, and it continues to be the largest employer of First Nations in our host region, providing almost 1,000 quality jobs in a remote area of Québec.



Our Values

Our commitment to responsible mining is reflected in our Values. The following four core values are the cornerstone of what we believe in and guide how we operate every day:

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.

Our Operations

The Bloom Lake Mine Complex is Champion's principal asset and is located on the south end of the Labrador Trough in Québec, Canada. Running through northern Québec and Labrador, the Labrador Trough contains deposits of high-quality iron ore within a belt of sedimentary and igneous rock spanning 160 km wide and 1,200 km long. The Bloom Lake Phase I and Phase II plants benefit from nearly US\$4.5 billion in infrastructural investments, including significant investments by Bloom Lake's previous owners. Champion's Phase II expansion project, completed in May 2022, doubles the operation's expected nameplate capacity to 15 Mtpa of high-purity iron ore.

⁴ To clarify, while DR refers to the direct pellet feed product itself, DRPF refers to the flotation plant that produces the DR product.

⁵ We define the industry term "waste rock" as "sterile rock", which are deemed uneconomic to process.

Champion uses world-class infrastructure to transport its iron ore concentrate to a seaport with a deep-water terminal, where Capesize ships can be loaded in under 50 hours.

Our Plans

Following its acquisition of the Kami project in 2022, Champion commissioned a feasibility study to evaluate the project's capability to produce a Direct Reduction ("DR") grade pellet feed product. In May 2022, Champion acquired the Pointe Noire Iron Ore Pelletizing Facility in Sept-Îles, Québec. In collaboration with a major international steelmaker, a feasibility study is being undertaken to evaluate re-commissioning the Pointe Noire facility to produce DR grade pellets. Both studies are expected to be completed in the second half of 2023.

In January 2023, we announced the completion of a Direct Reduction Pellet Feed ("DRPF") Project Feasibility Study, which evaluated the reprocessing and infrastructure required for the commercial production up to 69% Fe DR product.⁴ The Study evaluated the modifications needed to upgrade the Phase II plant production to DRPF iron ore, resulting in an average life of mine production of approximately 7.5 Mtpa of DRPF quality iron ore up to 69% Fe, which would be one of the highest DRPF quality products available on the seaborne market.

Production of DRPF product would enhance the Company's ability to further contribute to the green steel supply chain by engaging with additional customers focused on Direct Reduction Iron ("DRI") and Electric Arc Furnaces ("EAF") steelmaking, which approximately halves the emissions in the steelmaking process, compared to traditional steelmaking using Blast Furnace ("BF") and Basic Oxygen Furnace ("BOF") which use coal as a primary raw material.

The Feasibility Study estimated that approximately 30 months are required to upgrade the Phase II plant and infrastructure, at an approximate cost of \$470.7 million. As of April 26, 2023 (Sydney time), the Board has approved a cumulative budget of \$62 million to advance the Project over the course of 2023, and secure the estimated Project timeline.

To create a positive impact for our stakeholders across the entire life of mine of Bloom Lake, the Phase II expansion requires additional permits to increase the capacity of its storage areas for tailings and sterile rock.⁵ Further to engagement with stakeholders and project optimization with several experts over the last several years, in 2022, we received a provincial government decree for the project. With such approval, we are currently seeking to secure the necessary federal authorization related to fish habitat compensation projects.

Our Products

Champion produces a rare high-purity iron ore concentrate which enables steelmakers to significantly reduce emissions. Benefiting from an industry-leading high-purity resource, we commercially produce a low contaminant 66.2% Fe iron ore concentrate. Our high quality products meet the highest standards for our steelmaking customers located primarily in China, Japan, Europe, Middle East and South Korea.

Due to the low impurities and favourable characteristics of our iron bearing minerals, the extraction and concentration of our iron ore concentrate is completed using chemical-free gravimetric and magnetic processes. Champion's high-purity product characteristics enable steelmakers to use significantly less energy in the steel making process, including using less coal, resulting in reduced emissions in the steelmaking process.

Production of DRPF would further allow us to contribute to decarbonization in the steelmaking industry by servicing customers employing DRI and EAF steelmaking processes, which consumes primarily scrap steel and produces approximately less than half of the emissions associated with traditional BF and BOF steelmaking, which requires coal.

Our Value Chain

Since recommissioning the Bloom Lake mine in 2018, Champion has sold its product to over 35 different customers globally. By focusing on our own responsible sourcing and reducing our environmental footprint, we promote sustainability within our value chain.

Our value chain includes 873 Tier 1 suppliers, who provide the goods, materials, and services that are required for our operations. We aim to positively impact our stakeholders, including First Nations communities and the greater Québec Côte-Nord region where we operate. Our procurement practices favour the sourcing of local goods and services. Accordingly, approximately 75% of our suppliers are located in Québec, and 94% are located in Canada. The remaining 6% are sourced from outside of Canada primarily from Germany, Australia, Belgium, the United States and Singapore.

Our direct supply chain primarily supports our mining operations, our growth projects, including the recently completed Phase II expansion project, and our exploration activities. This includes transportation (land and rail), contract labour (e.g., maintenance and drilling services), mining equipment, mining supplies, equipment rentals, fuel and spare parts, and consumables for our onsite operations. Smaller expenditure categories were linked to activities not directly related to mining, including travel, professional services (e.g., consultants and engineering), and cleaning and security. There were no significant changes to our supply chain during the reporting period.

PERFORMANCE SPOTLIGHT



Our Economic Contributions (FY23)

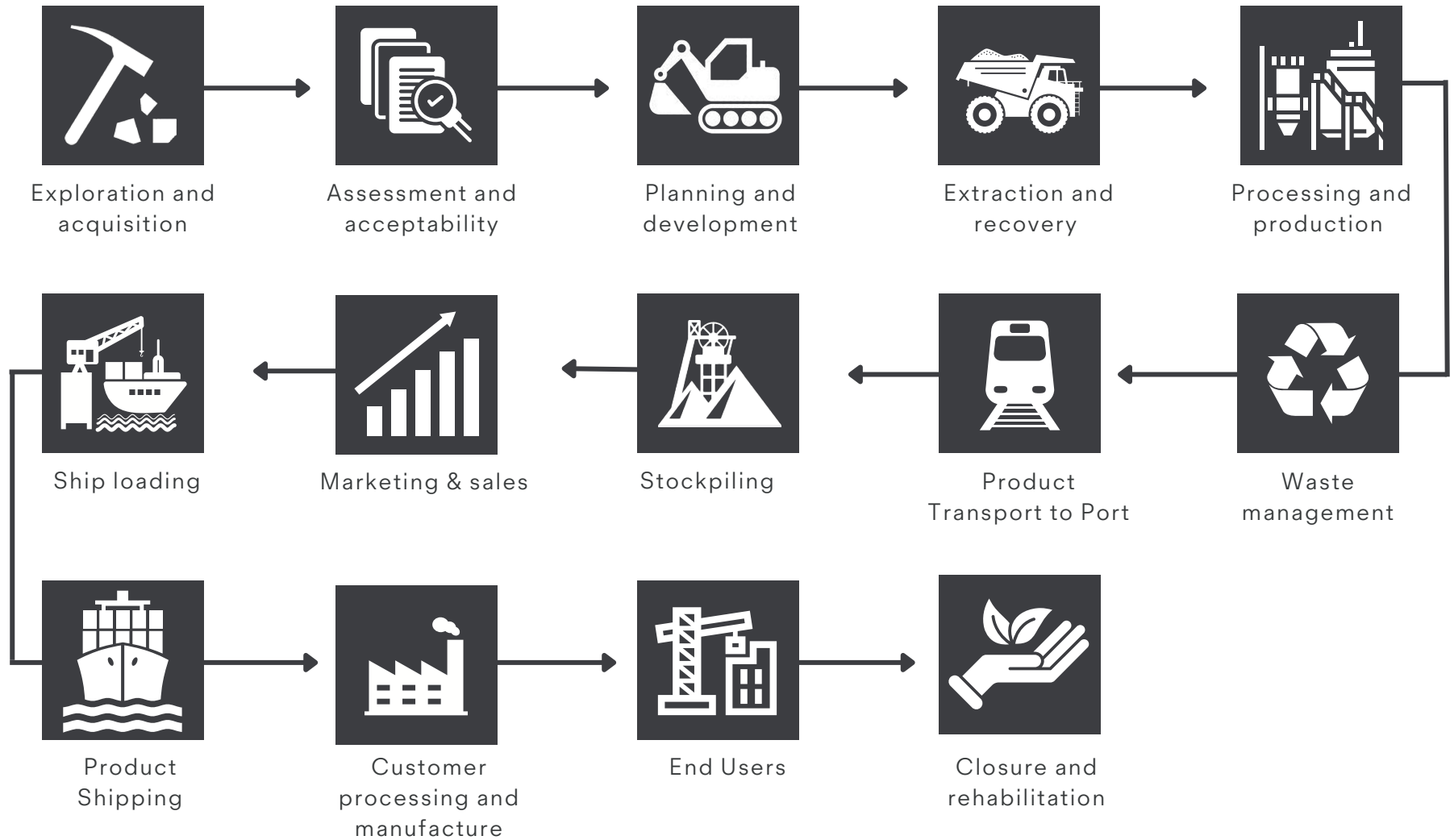
Revenues: \$1,395.1M
Net Profit: \$200.7M
Procurement Spend: \$1,311M
Salary Spend: \$128.4M

Our Production (FY23)

Ore mined and hauled: 32,442,000 wet metric tonnes
Iron ore concentrate produced: 11,186,600 wet metric tonnes
Iron concentrate sold: 10,594,400 dry metric tonnes

Our People (Calendar Year)

Total number of employees: 977
Local and First Nations employees: 51



Performance Indicators:
GRI 2-1, 2-6.

OUR APPROACH TO SUSTAINABILITY

Champion's dedication to sustainability is deeply anchored in our culture as we aim to positively impact our stakeholders. Our vision, strategy and values guide our Company's approach to sustainability. We continually work to innovate and produce high-purity iron ore products that can enable our customers to produce steel more sustainably. We strive to provide a safe and inclusive working environment, avoiding social inequities, embracing cultures, respecting human rights, and protecting the environment and biodiversity.

Our commitment is articulated in our sustainability policies, including our [Human Rights](#), [Environment](#), [Responsible Procurement](#), [Occupational Health and Safety](#), [Prevention of Harassment and Discrimination at Work](#), and [Donation and Sponsorship](#) Policies. Our policies are guided by legal and regulatory requirements that govern jurisdictions where we operate, and authoritative intergovernmental instruments such as the United Nations Guiding Principles on Business and Human Rights.⁶

Our Human Rights Policy is informed by the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights (which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), and the International Labour Organization Core Conventions. It is additionally inspired by the risk management framework of the "Equator Principles". The Policy specifically references the rights of First Nations and members of host communities and includes prohibitions against child labour and all forms of modern slavery.



⁶Our governance and sustainability policies do not explicitly reference due diligence and the application of the precautionary principle, but they are guided by those principles.

All our policies are publicly available on our website. Champion's Board of Directors is responsible for annually reviewing these policies as we apply them throughout our operations in line with the vision, values, and objectives of the Company. Our commitment to human rights is covered in mandatory human rights training that all Champion employees and management must undertake as part of our [Code of Conduct](#) training. While our policy commitments primarily apply to our organization, several commitments, including our Responsible Procurement Policy, also refer to our supply chain. Policy commitments are communicated to our employees when they are hired (they are included as an appendix in every employment contract) and are informally communicated to other stakeholders through their availability on our website.

As part of our dedication to sustainability, we are committed to reducing the environmental footprint of our activities. This commitment is organized along three primary axes. First, we strive to reduce our greenhouse gas emissions by electrifying our production processes and by finding new and innovative ways to reduce emissions. Second, we strive to reduce our consumption of fresh water by increasing reuse of water. A system of 50 collector basins at our Bloom Lake site collects rainwater and snowmelt for use in our ore treatment process. The water used is then treated and reused. Finally, in line with our goal of revitalizing the mine site as we operate and in anticipation of its end of mine life, we strive to preserve ecosystems and enhance local biodiversity.

During the reporting period, we updated our Environmental Policy to include a commitment to reducing our environmental footprint, including limiting deforestation. The Environmental Policy update also included adding explicit reference to responsible and proactive management of environmental risks associated with tailings (see [Tailings Management](#)).

Please visit our sustainability policies in our [website](#). 

Performance Indicators:
GRI 2-23, 2-24

Sustainability Guidance

We employ several standards and frameworks as a reference in the daily management of our material sustainability topics, including for planning, strategy development, objective setting, implementation, monitoring, and evaluation.



Towards Sustainable Mining Initiative

As a member of the Québec Mining Association, we align our activities with the Mining Association of Canada ("MAC") Towards Sustainable Mining ("TSM") initiative. The MAC TSM framework establishes protocols for assessing mining companies' performance in key environmental and social categories. In 2022, Champion completed its first TSM audit, where it achieved positive results. The audit also enabled us to identify areas for potential improvement. In 2023, we aim to implement systems and disclosures to increase our performance and scores across all TSM categories, which we believe can improve our environmental and social performance.



Equator Principles

Champion aligns its development activities with EP4, the latest version of the Equator Principles, which provide a framework for financial institutions to identify, assess, and manage the social and environmental risks of projects they finance. The principles therefore support us in promoting company-wide sustainable environmental and social performance and associated risk management.

Performance Indicators:
GRI 2-28

Sustainability Management

Champion establishes strategic sustainable development objectives aligned with its commitments, policies, and risks, to ensure positive results for our business and stakeholders. In the context of our expanding operations, during the reporting period we reviewed our previous objectives and are developing a new set of strategic goals. These will be based on industry best practice, observed performances and evolving stakeholder expectations.

These factors will guide us as we contribute to the sustainable development of communities where we operate, while also promoting sustainability more broadly by producing a high purity iron ore product that can support decarbonization in the steelmaking industry. In the meantime, near term targets and indicators have been set and can be found in [2023 Targets and Indicators](#). We intend to continue using these targets and indicators to monitor our performance year over year.

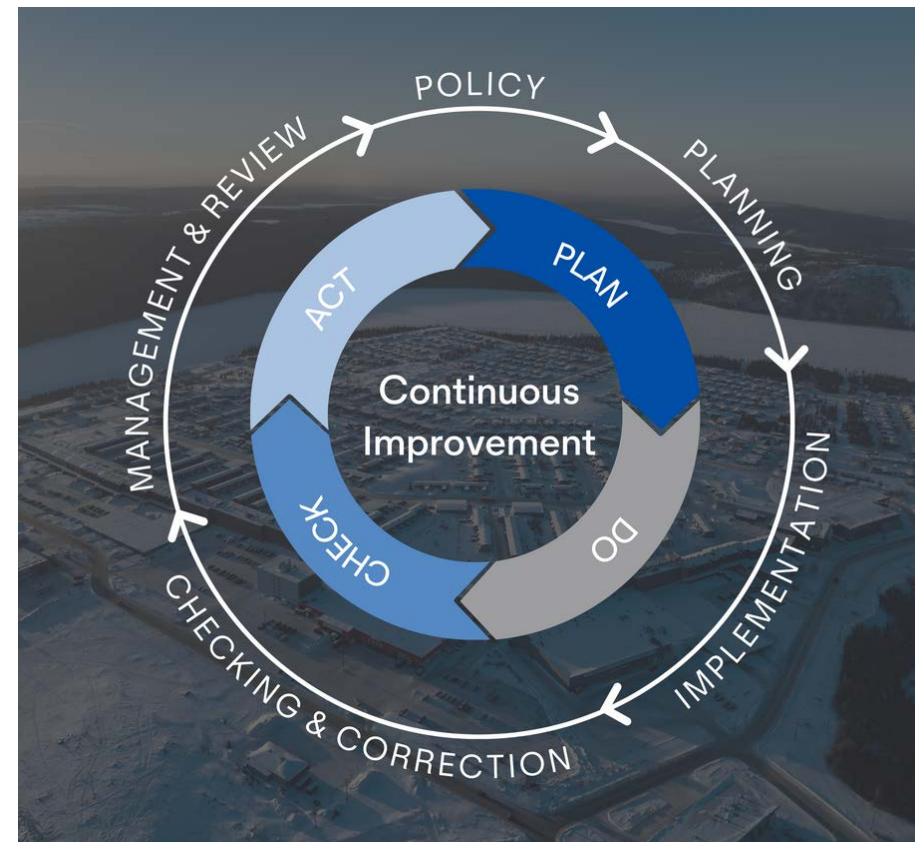
A focus on enterprise risk management informs our everyday business decisions, supported by the consistent application of the Plan-Do-Check-Act cycle to ensure we are always striving to improve our sustainability management. We draw guidance from the ISO 14001 and ISO 45001 standards in our maturing management approach.

Moreover, the ISO 50001 standard now supports our energy management framework, enabling us to ensure that any new infrastructure installations are compliant from the beginning. We maintain risk registers of the highest perceived risks at both the corporate and site levels. These registers include social and environmental risks and consider likelihood and potential consequences.

Our management approach also focuses on emergency preparedness and response, incident management, and compliance obligation management. Our emergency preparedness and response plans (“EPRPs”) limit and control potential or actual effects of an emergency. In 2022, we audited our approach in accordance with the MAC TSM Crisis Management and Communications Planning Protocol.

The audit concluded that our protocols for crisis management and communications are appropriate, and a crisis simulation is now planned for 2023. Our six-stage incident management approach is designed to minimize the likelihood of incidents, while mitigating the possible impact of any incident that does occur. Additionally, we monitor legal and legislative requirements to ensure compliance with our requirements and commitments, including our obligations to the First Nations.

Foundational to our sustainability management framework is our dedication to continuous improvement across the project lifecycle, from exploration to mine site restoration. We evaluate our sustainability performance through ongoing monitoring as well as our governance and audit mechanisms. This helps us modify our programs and objectives based on their performance, which enables us to respond to any emerging issues. The Sustainability and Indigenous Affairs Committee (“SIA”) of the Board is tasked with monitoring and reviewing the Company’s environmental, health and safety, and community and social risks, and the Company’s management of those risks.



Performance Indicators:

GRI 3-3, 2-25 (partial)

Engaging with Stakeholders and First Nations

Champion believes that building inclusive trusting relationships is central to our success. While we engage with all stakeholders in the same respectful manner, we categorize our stakeholders based on the degree to which they are affected by our activities, and by their ability to influence the achievement of our business objectives. This approach helps us to better understand risks and opportunities, to responsibly manage any impacts associated with our business, to gauge the effectiveness of our actions and to develop long-lasting relationships that create mutual benefits.

Through regular engagement, we better understand the interests of stakeholders and First Nations. We solicit input into our activities to identify areas of existing or potential concerns, so that they may be addressed in a timely manner. We proactively employ a range of tailored engagement strategies to meet the needs of specific groups and individuals in an inclusive manner. To support this strategy and enhance governance and outcomes, we also have an operational grievance mechanism to monitor and track external feedback. The following table presents the main groups we engage with and highlights the primary engagement approaches employed, although at times other engagement methods are utilized as needed.

	Consider	Inform	Mobilize	Satisfy	Collaborate
Type of Engagement	Research and analyze relevant concerns, trends, expectations and ideas	Transparently share and inform about the company's activities and impacts	Actively bring stakeholders together and foster positive collective contributions	Respect relevant requirements and commitments and some of the needs and expectations to maintain stakeholder satisfaction	Work together in developing programs or solutions and taking joint action
Type of Groups	Civil society and non-governmental Organizations Industry peers Employees	Media Shareholders Investors	Employees Suppliers	Customers Governments Lenders Employees	First Nations Union Local Communities Employees

Since the commissioning of our operations in 2018, our commitment to establishing and maintaining strong constructive relationships with our First Nations partners has been central to our vision and how we operate our business. For the past two years, our Materiality Assessment survey highlighted that engagement with First Nations continues to be one of our most important material topics.

Our 2017 Impact and Benefits Agreement (“IBA”) created a mutually beneficial structure for our projects on the Québec portion of the Labrador Trough, and provides for active participation by First Nations partners. The monitoring and implementation of the IBA is carried out by a coordination committee and two subcommittees. More details on the operation of these committees are included under [Communities and First Nations](#).



Additionally, we continuously seek to engage with other local stakeholders, including members of local communities near our operations. We value constructive feedback from our stakeholders and regularly integrate it in decision-making and strategic planning, which allows us to improve our sustainability performance.

As part of our focus on fostering a culture of continuous improvement, we engage with industry through memberships and participation in industry associations, trade fairs, conferences and symposiums. This enables us to monitor and share best practices and technologies nationally and globally, to improve operational processes, and to identify new ways to solve common industry-level challenges. We are a member of the Québec Mining Association and our Chief Operating Officer, Alexandre Belleau, sits on the Association’s Board of Directors. We benefit from the Association’s guidance, and use our role within its Board to promote our industry’s broader efforts to contribute to sustainable development.

Performance Indicators:
GRI 2-28, 2-29

Materiality Assessment

Champion is dedicated to managing any actual or potential impacts that we may be causing, or contributing to, through our activities, as well as any that may be linked to Champion's operations or business relationships. We recognize that impacts can change over time, and in line with the guidance provided by the GRI, Champion is committed to the ongoing review of our material topics. Material topics are those defined as having the most significant impacts, both positively and negatively, on the economy, environment, and population, as well as on the sustainability of our business and stakeholders.

For our 2022 Materiality Assessment, we used the guidance of GRI 3: Material Topics 2021, intended to support a company's own approach to assessing material topics. Our Materiality Assessment review process sought to update and validate our previous 2021 list of material topics, which was developed through a diligent analysis of impact assessment and management information as well as a robust survey involving internal and external stakeholders.⁷ As no GRI Sector Standard exists for the mining industry, we elected to update our material topics through the perspectives of our internal experts continuously engaging with our stakeholders. In the future Champion intends to use the new Mining Sector Standard once it is assessed to align with GRI requirements. Our 2022 materiality assessment methodology to review Champion's impacts and material topics included the following elements:

1. Review of documented and managed impacts related to the Bloom Lake mine complex;
2. Documented potential impacts from material assessments and public consultation processes;
3. Identified and documented enterprise-wide ESG related risks;
4. Documented asset-level engagement and grievance management topics;
5. Documented investor, analyst and related corporate-level ESG questions and requests;
6. Consideration of a range of ESG trends, risks and evolving performance standards;
7. Assessment of the significance of Champion's impacts, followed by validation and prioritization through engagement with Company subject matter experts;
8. Revision of topic list reflecting prioritized impacts, to twenty-eight material topics; and
9. Review and approval of material topics by the highest governance body.

The validation process revealed some slight changes in understanding of actual or potential risks and impacts. While Tailings Management remains the highest impact topic area, Engagement with First Nations increased substantially, replacing Water Stewardship as the second most significant topic, with Water Stewardship falling to third place. Community Relations and Economic Performance registered as top-five topics, while Waste Management, which was ranked third in 2021, did not appear as a top-five topic in 2022. Following validation, the material topics were grouped into six thematic topic areas, which form the chapters of this Report. To align with our stakeholders' interests, the material topic rankings have been used to define our sustainability objectives. Our approach to managing each topic is included within the relevant chapter.

⁷ The 12 reformulated topics include: Waste and Hazardous Materials Management, Economic Performance, GHG Emissions, Climate Change, Community Relations, Local Employment, Local Procurement, Labour Relations, Bribery and Corruption, Diversity, Equity, and Inclusion, Land Use and Biodiversity, and Air Quality. The 8 new topics include: Value Chain Management, First Nations Employment, First Nations Procurement, Rights of First Nations, Human Rights, Modern Slavery and Child Labour, Mine Closure, and Cybersecurity.



PERFORMANCE & OBJECTIVES

2022 Performance Highlights

Benefit footprint


Community investment
\$6.8 M

Sourcing from regional suppliers
\$429 M

Sourcing from First Nations suppliers
\$15 M

Municipal Taxes paid
\$4.0

Mining Taxes paid to government
\$49.5 M



Communities & First Nations

First Nations employed
28

Percentage of employees having completed First Nations cultural awareness training
100%

Grievances received
0

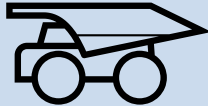


Intensity (per tonne of iron concentrate produced)

Domestic waste generated
0.69kg

Hazardous waste generated
0.09kg

Total CO2 emitted (Scope 1 & 2)
9.8kg




Human Resources

Total permanent employees
977

Local and First Nations employed
51

Salaries & Benefits
\$128M



Environment


Energy - Energy Consumed (TJ)
2,984

Climate Change - Total GHG Emissions, Scope 1 & 2 (T CO2e)
97,943

Tailings - Compliance with monitoring program for tailings retaining structures
100%

Water - Reused or recycled mining wastewater
96%

Biodiversity - Hectares of revegetated area
15.2



Governance

Updated Remuneration, People and Governance Committee charter to include oversight and monitoring of Champion's diversity and inclusion efforts

Updated Sustainability and Indigenous Affairs Committee charter to include oversight and monitoring of issues related to climate change

First TSM External Verification -80% Level A or Compliant



Health and safety

Total Recordable Injury Frequency ("QIO")
2.05

Total Recordable Injury Frequency (Contractor)
3.97

Lost time injury Frequency ("QIO")
0.86

Lost time injury Frequency (Contractor)
1.48



2023 Targets and Indicators

Following the completion of the Bloom Lake Phase II expansion project and evolving sustainable development and ESG priorities for the Company, our stakeholders, partners, and communities where we operate, Champion reviewed its existing sustainability objectives at the end of the reporting period. In order to develop a robust strategy of short, medium and long-term goals, the Company selected the following targets and indicators to track its performance year over year, across key material topics. These were developed with input from internal subject matter experts and our Management team, as well as being informed by industry risk and performance management trends, investor priorities, and a range of relevant stakeholder priorities.

Environment

Environmental Compliance

Achieve 0 major or significant environmental incident/environmental violation

Water Management

% of recycled water
Minimum: 65%
Target: 80%
Optimal: 90%

Tailings Management

Achieve 100% compliance with the MAC tailings management governance model and framework towards monitoring tailings retaining structures

GHG

2030 target milestones

2023 objective : Identify and disclose a list of initiatives that could enable the company to reach its 2030 emission reduction targets

2050 target milestones

2023 objective : Review and select methodology for calculating Scope 3 emissions

Social

Health & Safety

Incident frequency ("QIO")
- Target : 2.5

Incident frequency (Contractor)
- Target : 3.5

Zero fatalities

Ultimate target of zero harm

Training

Employee participation in annual First Nation cultural awareness training
- Minimum : 90%
- Target : 100%

Governance

Diversity

Achieve and maintain a minimum of 30% of women on our board of directors

Management

Yearly review of all our corporate governance policies and ensure best practices

Sustainable Development

100% completion of management incentive KPIs related to sustainability practices aligned with ESG disclosure, sustainable positioning, positive community impact, employee retention, talent development and succession planning

GOVERNANCE

Champion is committed to conducting business ethically, responsibly, in compliance with the legal requirements of the jurisdictions where we operate, and in accordance with the highest standards of corporate governance. We recognize that good governance is of utmost importance to our stakeholders, and central to the continuous improvement of our accountability and sustainability performance. Proper corporate governance enables us to uphold our core values of transparency and respect.

Governance Structure

Our suite of corporate governance and sustainability policies, listed below, guide the conduct of our business practices, and establish commitments and expectations to be met across the organization:

- Board Charter
- Corporate Governance Statement
- Board Performance Evaluation Policy
- Code of Conduct
- Audit Committee Charter
- Remuneration, People and Governance Charter
- Sustainability and Indigenous Affairs Committee Charter
- Mandate of Chief Executive Officer
- Diversity Policy
- Continuous Disclosure Policy
- Shareholder Communications Policy
- Trading Policy
- Majority Voting Policy on Election of Directors
- Whistleblower Policy
- Occupational Health & Safety
- Prevention of Harassment and Discrimination at Work
- Responsible Procurement
- Human Rights
- Environmental Policy



Our policies are reviewed yearly to ensure their ongoing relevance and alignment with our overall business strategies and changes to the internal and external operating context. The last update was done at the beginning of 2023. Champion's sustainability and governance policies are available at www.championiron.com.

The Board of Directors of the Company is tasked with management oversight. As stewards of the Company, our highly qualified Board members ensure that we are positioned to positively impact our stakeholders, while operating in a safe, responsible, and ethical manner. The Board continually strives to stay current on sustainability topics through regular meetings and site visits, which support governance and accountability mechanisms across the Company. In 2022, Champion's Board was composed of eight members, 25% of whom are female. One individual is a member of an under-represented social group. Two members of the Board are executive members, while six Board members are independent non-executive members. Further details on all Board members, including their tenure, and expertise relevant to their role, are provided in our [2022 Management Information Circular](#).⁸

The Chairman of the Board of Directors, Mr. Michael O'Keeffe, is a member of the Management team, and is the largest shareholder of the Company. He performs a key role in the Company by providing strategic direction and guidance as we deploy our corporate vision.⁹



The Board has three committees that guide the Company.

1. The Audit Committee
2. The Remuneration, People and Governance Committee
3. The Sustainability and Indigenous Affairs Committee

⁸ There is no stakeholder representation within the Board of Directors.

⁹ Mr. O'Keeffe, as the chair of the Board, is also a member of the executive, and is covered by the conflicts of interest clause of Champion's Code of Conduct.

¹⁰ Conflicts of interest are not disclosed to shareholders.

Over the course of the reporting period, we updated the Charters and renamed both the Remuneration, People and Governance Committee (previously the Remuneration and Nomination Committee), and the Sustainability and Indigenous Affairs Committee (previously the Environmental, Social and Governance Committee), to better reflect our sustainability commitments.

The [Remuneration, People and Governance Committee Charter](#) establishes the nomination and selection process for the Board of Directors and its three committees. The Committee is responsible for developing selection criteria for Board membership, and identifying and screening specific candidates for nomination using established selection criteria, taking into consideration any gaps in experience or skills from its existing Board. The Committee then makes recommendations to the Board for membership. The Committee is additionally tasked with ensuring that new directors receive an appropriate induction and orientation program. The Committee's Charter makes explicit reference to considerations of independence, diversity, and candidates' skills and expertise. Stakeholder views are not directly taken into consideration.

Champion's [Code of Conduct](#) (the "Code") stipulates that all directors have an obligation to exercise independent judgement in their actions, and in instances where the personal interests of a director may conflict with those of the Company, steps must be taken to eliminate such conflicts.

Critical concerns that emerge, either through our operations or existing grievance mechanisms, are brought to the attention of all relevant committees and the Board of Directors through quarterly presentations prepared by the Company's Management. The Audit Committee annually reviews the Company's risk management systems to ensure that the Company's exposure to various sources of risk is minimized. Each year, the Board undertakes a performance evaluation in order to determine the effectiveness of its directors, Board, and Board committees. The evaluation is led by the Chair or Lead Director, with assistance of the Remuneration, People and Governance Committee.

Remuneration Policies

The [2022 Management Information Circular](#) details the process for determining remuneration for members of the highest governance body and senior executives, as well as how Champion's remuneration policies are designed and implemented. The Remuneration, People and Governance Committee, which is composed of independent directors, makes recommendations to the Board on the framework for executive remuneration, including long-term and short-term incentive awards. Independent third-party consultants are also engaged to provide advice on industry best practice and benchmarking for remuneration policies, structure and quantum. The Company's executives and members of the remuneration committee engage directly, and via proxy advisors, with stakeholders to collect feedback regarding the Company's remuneration structure. Feedback is then gathered and utilized where applicable with the Company's remuneration advisors to formulate a best practice remuneration structure.

Fixed pay includes a base salary with personal benefits and perquisites, while variable pay consists of short-term incentives in the form of annual bonus rewards, and long-term incentives in the form of equity-based compensation. Champion has no specific policy regarding sign-on or recruitment incentives. In terms of termination payments, the Company has written employment agreements with each of its Named Executive Officers, which are governed by the laws of the Province of Québec. Further details are provided in the [Management Information Circular](#). There are no clawbacks for the reporting period. Regarding retirement benefits, Champion has three different pension plans, one for its unionized employees, one for its management and professionals, and one for its executives, reflecting industry benchmarking. Personal group health and life insurance benefits provided to executives 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 executives in relation to the office they hold.

Ten percent of short-term incentive compensation for the highest governance body and senior executives is tied to our sustainable development objectives. During the 2023 financial year, these objectives include:

- Onboard preliminary Task Force on Climate-related Financial Disclosure (“TCFD”) disclosure practice;
- Initiate and deploy a new corporate identity through a rebranding strategy, communications and awareness campaigns;
- Identify needs and opportunities within First Nations communities and develop initiatives/programs to improve continuous engagement;
- Optimize the workplace to ensure employee engagement; and
- Improve talent development programs, including training, 9-grid box, onboarding of “Leadership & self deception” from CEO to superintendents and employee engagement, and initiate a succession planning diagnostic.

7



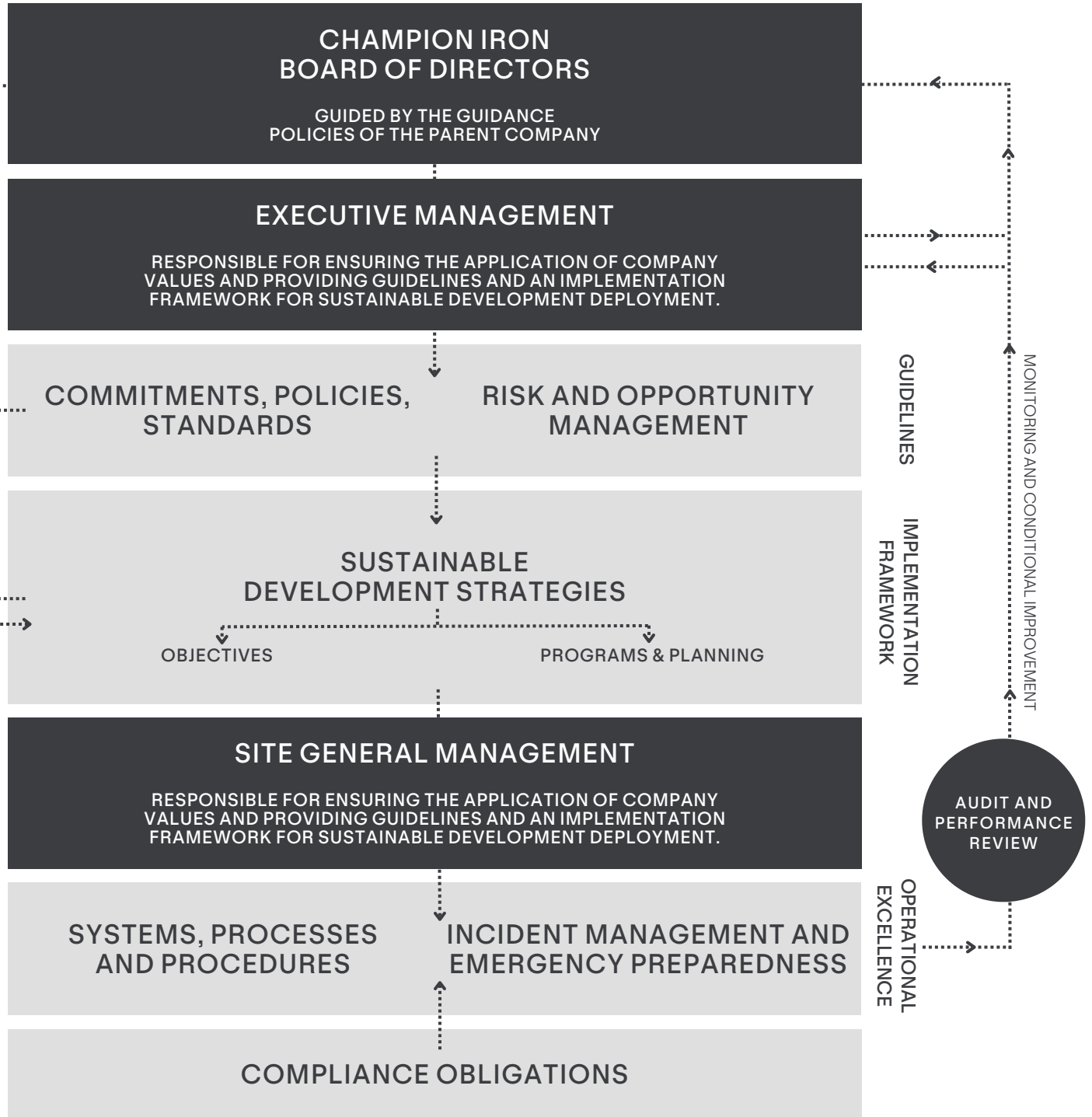
Sustainability Governance

Champion is committed to conducting business ethically, responsibly, in compliance with the legal requirements of the jurisdictions where we operate, and in accordance with the highest standards of corporate governance. We seek to create value for our shareholders while providing a safe working environment for our employees and contributing to the sustainable development of local communities.

The oversight and governance of Champion’s sustainability performance begins with the Board and the [SIA Committee](#) and flows outward to the Management team and throughout our operations. The Board Charter was recently updated to include reference to the Board’s role in overseeing the Company’s commitment to sustainable and socially responsible resource development. The SIA Committee monitors and reviews environmental, social and governance risks, and supports the Company’s commitment to environmentally sound and responsible resource development. Its governance contributes to topics including sustainable development, tailings management, water stewardship, site restoration, human resources, health and safety, human rights, and community relations, including First Nations.

During the reporting period, the SIA Committee’s duties were updated to include reviewing environmental, community and social risks, health and safety risks, and managing climate-change issues. The SIA Committee Charter now also includes the management of relationships and engagement with our First Nations partners, to better reflect our desire to maintain strong and long-lasting relationships with First Nations. The SIA Committee is additionally tasked with monitoring evolving industry practices, laws, regulations, current and emerging trends relating to sustainability, and providing appropriate guidance to the Board to advance its collective knowledge and skills on sustainability-related matters. The SIA Committee also reviews public reporting and disclosure relating to the Company’s sustainability performance, including the Company’s material topics and sustainability reports.

The Committee meets at least once quarterly to review ongoing sustainability performance so that it may recommend appropriate measures to the Board of Directors, to which it reports directly. Its oversight helps ensure good governance practices are followed, including on business conduct, transparency, and ethics. The Board directly engages with relevant stakeholders, as appropriate, in connection with identified risks and opportunities that may require further oversight or action.



The Management team is responsible for defining and updating sustainability guidelines and frameworks and for implementing Champion's sustainability practices. Champion's sustainability related impacts are managed by members of Management including the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and the Senior Vice-Presidents of Human Resources, General Counsel and Corporate Secretary and Corporate Development and Capital Markets. They deploy sustainability risk and opportunity management systems and sustainability performance audit and review programs, and determine which strategies, objectives and programs should be implemented, integrating them into the long-term vision of the Company. Site management then ensures that sustainability guidelines are applied, so that annual goals can be met.

Members of Champion's Management team that are responsible for managing sustainability related impacts report periodically, and on an ad-hoc basis, to the SIA Committee, to present various sustainability-related strategies and initiatives. The chart on the previous page illustrates the roles that are directly accountable or responsible for Champion's sustainability related decision-making and performance.

Our Performance

During the reporting period, the Company focused on several initiatives to improve its sustainability performance. We began to implement systems designed to help the Company meet its recently adopted GHG 2030 and 2050 reduction targets and reach its Board diversity target of 30%.

Some of the main governance efforts focused on updating governance and sustainability policies (discussed under [Governance Structure](#)). We also continued corporate governance training, and further developed our onboarding program for new employees, which now includes a CEO introductory welcome, that focuses on the Company's history, values, and employee-driven culture. We implemented cultural diversity and sensitivity training, discussed further in the [Our People](#) section, and formalized a new diversity structure with a new First Nations advisor and human resources diversity professional (this is further discussed under [Communities and First Nations](#)). With the goal of further strengthening the leadership competencies of our team, we introduced Leadership & Self Deception training for various levels of employees, including management at the mine site and head office.

Performance Indicators:

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16 (partial), 2-17, 2-18, 2-19, 2-20, 2-23, 405-1 (partial)

Business Conduct and Ethics

We strive to conduct our business with a high degree of transparency and integrity. Our goal is to maintain and strengthen the relationships that enable our success, and that positively impact our host communities, suppliers, clients, and stakeholders. Our Code of Conduct applies to all directors, officers and employees of the Company and its subsidiaries, and embeds responsible and ethical business conduct across our operations. The Code establishes relevant procedures on confidentiality, the protection and use of Company assets, as well as prohibitions against conflicts of interest. The Code includes a zero-tolerance approach towards corruption and bribery. Our quarterly risk assessment review process is used to flag significant risks, including corruption risks, which are brought to the attention of the Board.¹¹ During the reporting period, the Code was updated to better reflect the Company's commitment to sustainable and socially responsible resource development, with a focus on environmental management. The update included redefining the term "environmental risks" to "risks related to sustainability matters, such as climate-change related risks."

The Audit Committee is tasked with overseeing Champion's compliance with all ethical and legal requirements. The Committee reviews the Company's risk management system, and monitors standards of corporate conduct, including any potential conflicts of interest.



¹¹Champion's operations are exclusively conducted in Canada, and we have no production in countries that have the 20 lowest rankings in the Transparency International Corruption Perception Index.



Together with the policy on the Prevention of Harassment and Discrimination at Work, the Code prohibits discrimination or harassment of any kind. During the reporting period, there were zero recorded instances of violations or instances of employees being terminated in relation to the Code. Champion was not subject to any fines, penalties or prosecutions related to business ethics in 2022. There were no confirmed incidents of corruption, or legal action relating to anti-competitive behaviour, antitrust, and monopoly practices. In addition, Champion's Code of Conduct prohibits the payment of political contributions, and during the reporting period, no such contributions were made. Anti-corruption policies and procedures are communicated through online training and certification of the Code, which all employees of Champion, and its controlled entities, must complete after their hiring. All employees are additionally required to recertify annually, to confirm their commitment to abide by the Code including mandatory testing. During the reporting period, in response to federal legislation (Bill C-21), we decided to improve our due diligence in protecting the health and safety of our workers by developing a new training program that increases employee awareness of Bill C-21. To ensure oversight and alignment with industry best practice we also enhanced our legal team by hiring a new paralegal and a legal affairs manager.

In line with our commitment to meeting all regulatory requirements, Champion complies with its tax obligations in Québec, Canada and Australia. As a reporting entity under Canada's Extractive Sector Transparency Measures Act ("ESTMA"), and Québec's Act Respecting Transparency Measures in the Mining, Oil and Gas Industries in Québec, we annually disclose certain types of payments made to governments. This contributes to deterring corruption in the extractive sector, by raising transparency in our sector. The related data provided covers our financial year, from April 1 2022 to March 31 2023.

Taxes Paid (\$M)	FY 2021	FY 2022	FY 2023
Municipal	5.7	7.8	4.0
Income	90.4	258	68.3
Mining	56.7	217.3	49.5
Income + Mining	147.1	475.3	117.8
Mining Leases	0.3	0.3	0.4
School	0.2	0.2	0.2
TOTAL	153.3	483.6	122.4

Performance Indicators:

GRI 2-27, 3-3, 201-1 (partial), 205-1, 205-2, 205-3, 206-1, 207-1 (partial), 415-1
 SASB EM-MM-510a.1, EM-MM-510a.2

As a Company, we recognize that climate change can have a significant impact on our operations, and on the health and safety of our workers and the communities near our operations. This recognition is foundational to Champion's vision to help decarbonize the steel industry, while positioning itself as a key player in the fight against climate change. In 2022 we tasked the Sustainability and Indigenous Affairs Committee with overseeing the Company's efforts to combat climate change.

The Committee is now charged with monitoring and reviewing climate-change related risks and opportunities, and managing issues related to climate change. This enhancement in the Company's governance of climate change will ensure that we can develop tools to address climate change risks and opportunities, so that we are well positioned to be resilient to climate change in the future.

Whistleblowing and Feedback Mechanisms

Champion provides corporate and site-level frameworks to ensure that our employees, host communities, and other stakeholders have accessible and legitimate ways to express any concerns regarding our practices. Our internal Employee Grievance Mechanism is designed to allow any employee to report a business ethics or human rights concern to a representative of Human Resources, their Union representative, or to a designated independent third party via the Whistleblower Policy on our website, without fear of reprisals. More details, including details of grievances received during the reporting period, are included in the [Our People](#) section. We additionally have a formal Community Grievance Mechanism, which allows members of host communities to raise any concerns they may have about our operations or its impacts and provides the option for individuals to do so anonymously and online.

Internal and external stakeholders who are the intended users of the grievance mechanisms are not directly involved in their design, review, operation, and improvement, but knowledge gleaned from ongoing engagement activities feed back into the regular mechanism review, as part of continuous improvement efforts. Further details are included in the [Communities and First Nations](#) section of this report. The mechanisms are part of our broader effort to ensure that we engage with all relevant stakeholders in remediating any negative impacts we may be causing, contributing to, or linked to, through our operations. We regularly consult with stakeholders through consultation committees, ensuring that they have an opportunity to raise concerns about any potential negative impacts (for further details, see [Communities and First Nations](#)).

Separately from grievances mechanisms, we recognize that individuals may wish to seek guidance on how to implement responsible business practices, or to raise concerns about the organization's business conduct, or about conduct associated with the Company's business relationships. While we have no formal procedures for seeking such guidance, employees can contact their supervisor or human resources teams for assistance. Anyone wishing to raise concerns can do so through our Whistleblower mechanism.

Our Whistleblower Policy establishes a procedure for the confidential and anonymous submission, receipt, retention and treatment of complaints or concerns. Whistleblower concerns are handled through a third-party reporting system provided by Deloitte. The Whistleblower Policy prohibits any retaliation against individuals who make a report of known or suspected violations in good faith.

Performance Indicators:

GRI 2-25, 2-26



Human Rights, Modern Slavery and Child Labour

Our commitment to ethical and sustainable business conduct prioritizes the respect for human rights. We recognize that our stakeholders value respect and protection of human rights, and we understand that strong relationships with local populations are essential to our ability to operate our business sustainably.

Central to our approach to uphold human rights is identifying and managing risk across our value chain. Our single operational site and various exploration sites are all located in Canada, and hence not within any conflict zones. We comply with Québec's and Canada's extensive labour, employment, and immigration laws. We particularly respect our workers' right to freedom of association and collective bargaining, with 62.6% of our employees covered by collective bargaining agreements.

Champion's Human Rights Policy works in conjunction with the Company's Code of Conduct to affirm our commitment to respect and protect human rights for all our stakeholders. As detailed under Our Approach to Sustainability, the policy is rooted in various international bills and covenants, including the United Nations Guiding Principles on Business and Human Rights, and by the Equator Principles' risk management framework. Our Human Rights Policy sets out prohibitions against the use of child or prison labour, or any form of forced labour. During the reporting period, there were no reports of child or compulsory forced labour within our operations or our supply chain.

It is a requirement for Champion's employees and Management to undertake human rights training as part of their Code of Conduct training at the start of their employment with Champion or one of its controlled entities.

Respect for human rights is additionally embedded in our Policy on the Prevention of Discrimination and Harassment at Work, which highlights our dedication to create a safe and respectful working environment for our employees. As part of our preparation of our [Modern Slavery Statement](#), an initial third party human rights risk assessment was completed. We did not record any incidents of discrimination or harassment through our official grievance mechanisms or Whistleblower hotline. However, there were informal complaints of discrimination logged in 2022, discussed further in the [Our People](#) section, which led us to enhance cultural sensitivity within our workforce by developing and implementing the "Cultural Awareness Training", completed by all employees.

Our dedication to protecting human rights extends to our procurement policies. Champion's Responsible Procurement Policy embeds respect for human rights within our supply chain, providing guidelines promoting sustainable development in the purchasing, leasing and contract award practices of the Company.



Performance Indicators:

GRI 2-23, 2-25 (partial), 2-30, 3-3, 406-1, 407-1, 408-1, 409-1, 410-1
SASB EM-MM-310a.1, EM-MM-210a.3

Value Chain Management

We recognize that as a Company, we can potentially impact human rights and the environment, not only through our operations, but also through our value chain. As a result, we are committed to understanding our value chain, and managing any impacts that we may be contributing to, or linked to, through our business relationships.

In order to ensure respect for human rights, and prohibition of modern slavery or child labour in all its forms within our value chain, we proactively analyze our human rights and modern slavery risks. In 2022, we published our third [Modern Slavery Statement](#), which discusses Champion's operational and supply chain risks of causing, contributing to, or being linked to, modern slavery.

During the reporting period, we began piloting a supplier questionnaire to use in internal auditing processes, which includes investigating whether suppliers have processes in place to guarantee the respect of human rights, including forced labour and child labour, as well as specific labour rights, such as minimum wage, working hours and personal protective equipment. However, no current suppliers have been assessed for their social impacts.

Moreover, as we continuously aim to select suppliers that manage their businesses in a sustainable fashion, we seek to better understand their environmental impacts. As such, we are optimizing our systems to begin considering environmental criteria within our supply chain management. For example, during the reporting period, we contracted an engineering firm with a proven environmental track record to conduct dike repairs. In the coming year, we further plan to include environmental criteria in supply chain management and have included environmental criteria in a tender process to replace our waste management supplier.



Performance Indicators:

GRI 3-3, 308-1 (partial), 308-2, 414-1 (partial), 414-2.

Responsible Consumption and Production

Champion is committed to contributing to a circular economy, where fewer materials are used, materials are kept in use, and waste and pollution are reduced at the source when possible. This begins with our own commitment to reduce waste generation and decrease the energy used to dispose of our waste. We operationalize this commitment through the application of the four "Rs" principles throughout our operations. We additionally address this through our aim to contribute towards responsible production, by producing a high-purity iron ore product that enables steelmakers to use less energy in the steel making process.



The primary materials used as inputs into our production process include: ore, sterile rock, explosives, chemicals, lubricants, and rubber. The amount of raw material used in 2022 was approximately 35 million tonnes. This data is partial as only the two most used chemicals are accounted for, totaling 329 T out of the 35 million tonnes including sterile rock. Of this amount, 1.86 million tonnes, or 5.3%, consisted of recycled input materials.

Given the context of our ongoing expansion, significantly reusing the quantity of materials required for our operations has been a challenge. As a result, much of our focus has centred on finding opportunities to reuse and recycle goods where possible. For example, during the reporting period, we entered into a partnership with one of our local tire providers to take some of our used High Density Polyethylene pipes that were destined for disposal, and reuse them to provide material that can be used to repair tires. This resulted in lower GHG emissions, as fewer pipes were hauled for disposal from our mine site. In the coming year, we will focus on eliminating single-use plastics within our cafeterias, including the use of plastic bags, coffee cups, and single-use food containers, while providing our employees with reusable alternatives such as reusable and washable containers.

Performance Indicators:

GRI 3-3, 301-1, 301-2.

Cybersecurity

The direct and indirect damage that can arise from poor cybersecurity management includes the loss of confidence, confidentiality breaches, reputational damage, production or revenues losses, stock price volatility and regulatory actions or litigation. Our cybersecurity management is rooted in our governance and oversight of our corporate information and operational technology (“IT”) systems. The Audit Committee is responsible for the oversight of the Company’s exposure to fraud, cybersecurity, and data privacy risks, while ultimately, Management oversight rests with Champion’s CFO. In 2022, we engaged a third party expert to conduct an assessment of our cybersecurity resilience and analyses of our operational technology and IT environment, which led to a series of actions to improve our cybersecurity posture. As part of our continuous improvement efforts, we launched a cybersecurity awareness training program which provides each employee with cybersecurity training, including phishing simulations. During the reporting period, we have not received any substantiated complaints regarding breaches of customer privacy, including leaks, or losses of customer data.



Performance Indicators:
GRI 3-3, 418-1.

Closure

As our iron resources and reserves are finite, planning for the eventual closure of the mine and the mine site’s reclamation is central to our operations, over the long term. This maximizes our contributions towards sustainable development in the communities where we operate. Effective closure planning starts before mining begins, keeping the eventual end of operations in mind to ensure that a responsible mining management approach continues throughout the full life cycle of a mine.

Champion utilized the MAC TSM’s Mine Closure Framework to guide its Bloom Lake closure planning. As per Canadian and Québec law, QIO was required to plan for closure before start of production and to update this planning with any expansion activities. As a result, we recently updated our Mine Closure Plan, which received government approval in March 2023. The next Mine Closure Update is scheduled for 2026.

Closure planning includes the provision of financial assurance to ensure that appropriate funding will be available for effective mine closure and reclamation. The 2021 updated plan established a life-of-mine closure cost estimate of \$118.0 million (undiscounted), including engineering costs, monitoring costs and a 15% contingency. This figure also included approximately \$85.5 million in direct closure and reclamation costs, and \$17.1 million in indirect costs, such as engineering plans and monitoring during both closure and post-closure, and a total of approximately \$15.4 million for contingencies. In March 2023, the \$118.0 million life-of-mine closure cost estimate was updated to \$132 million, largely as a result of higher planned revegetation costs.

During the reporting period, we continued our progressive revegetation efforts, adding an additional 15.2 hectares. Further details are provided in the [Land Use and Biodiversity](#) section of this report.



Performance Indicators:
GRI 3-3, 304-3, 413-2, MM10

HEALTH AND SAFETY

Champion believes that everyone has the right to a safe workplace. We are committed to identifying and mitigating any possible health and safety risks from our operations, and we continuously strive to provide our workers with a healthy work environment that is free of injuries, accidents, or occupational illnesses. Placing primary emphasis on prevention, Champion's commitment to health, safety and well-being is promoted by our leadership across the organization and is embedded in daily operations, training, and continuous monitoring of health and safety performance. Our Occupational Health and Safety ("OHS") Policy, which reflects our corporate values, is centred upon four pillars that establish our approach to create a safe workplace: continuous performance improvement, application of best practice, risk prevention and shared responsibility.



Our OHS Four Pillars

We Continuously work to improve our OHS performance by identifying and prioritizing OHS objectives, identifying hazards and risks and implementing rigorous controls, and raising awareness through training and communication.

We Apply all relevant laws and regulations and ensure we comply with the highest standards. As such, we draw on a number of rigorous industry best practice frameworks, standards and principles.

We prioritize Risk prevention in our health and safety management approach by implementing effective programs and tools designed to eliminate OHS risks.

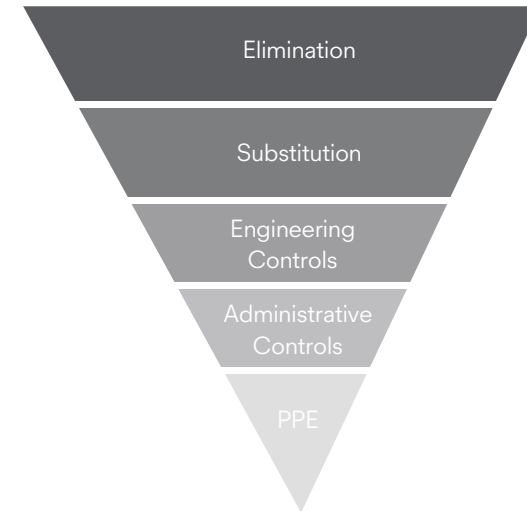
We foster an environment in which Everyone understands that living our health and safety values is a shared responsibility. We encourage individuals and business partners to actively participate in helping us achieve our OHS goals.

At the core of our approach to health and safety is risk management. Our OHS management system, which is inspired by international standard ISO 45001 and is underpinned by the hierarchy of risk controls, applies to all company employees, contractors, as well as any other person entering the mine site. Champion's inspection and audit program examines and verifies compliance throughout the working environment, including equipment, tools and materials used in relation to standards and policies.

Clear lines of communication are central to encourage our employees to report incidents and hazards, even if they seem minor, enabling us to assess operational risks, and where relevant, to take appropriate preventive measures before injuries or incidents occur. We additionally equip our employees and contractors with the tools and training to take ownership of their health, safety and well-being.

Composed of workers and management representatives, our OHS Committee meets at least once a month, allowing employees to take part in safety decision-making processes. The committee is responsible for monitoring and assessing OHS performance, making appropriate recommendations, supporting management to implement prevention programs, and helping to establish effective OHS training programs.

Our Hierarchy of Risk Controls



Our Performance

Given the context of our Phase II expansion and the ongoing threats posed by the COVID-19 pandemic during the first part of 2022, our priority and focus during the reporting period was on ensuring the health and safety of our workforce. In tandem with our rapid growth since commissioning Bloom Lake in 2018, we continued to solidify the foundations of our OHS management systems. This focus included particular emphasis on training and improving risk identification. With the help of our dedicated workforce, we were able to reduce Bloom Lake's total recordable injury frequency rate ("TRIFR") from 2.46 in 2021 to 2.05 in 2022 (recordable injury per 200,000 hours worked), our lowest rate since we began reporting this data in 2019. Additionally, we ensured full compliance with all provincial and federal laws and regulations governing employee health and safety.

Our OHS system covers all Company employees, as well as any contractors who work on-site.¹² In our 2022 Sustainability Report, we began to report OHS data for contractors as part of our commitment to promote the health and safety of all workers at our mine site. The TRIFR across our operations, including both Company employees and contractors, was 2.99, which reflects the higher rate registered from our contractors, with a TRIFR of 3.97. Recognizing this lower safety performance from our contractors, we ensured they were included in our training and safety awareness efforts.



In line with our focus to continuously improve our safety performance, we updated and expanded our employee training programs. We optimized our OHS training and implemented improvements through our Talent Learning Management System (LMS) platform and adapted its content to include the Company visual scenarios to improve uptake. Training programs that were updated and optimized included: lockout, confined space, forklift and telescopic mast, work at heights, small skid steer loader and slinging training. We implemented accidental event and investigation analysis training, expanding our OHS team's training on root cause analysis methodology (including training on the in-depth investigative method software Taproot). We also delivered training on the requirements of the Electrical Code of Mines. As part of our expanding efforts to include contractors in our OHS training efforts, we continued to actively share our health and safety policies with contractors via the Cognibox platform. We additionally increased our engagement with major contractors on safety, meeting with them to discuss ways in which they can improve their performance. Finally, we expanded our OHS team, which now includes eight full-time OHS advisors.

¹² Given our current data collection processes, we are unable to report on the precise number of contractors who are covered by our OHS reporting system, however, all employees working on site are covered.

As part of our commitment to foster an inclusive health and safety culture, we encourage and expect our employees to raise any concerns they may have about workplace safety. At the Company, any worker can and must withdraw from any work situation that, in their opinion and in good faith, could cause injury or negatively affect their health. This is done with the assurance that they will not be subject to any retaliation. The Company's employees conducted a total of 109 task safety analyses in 2022, enabling the easy identification of hazards associated with performing a given job. A total of 68,594 pre-task job safety analyses were also conducted, which help identify risks and hazards before starting a job, thereby mitigating employee exposure.¹³ Moreover, we sought to improve the reporting process for potentially hazardous conditions by the Company's employees, and have utilized OHS focus cards to promote the reporting of any at-risk conditions. In 2022, 1,630 reports of potentially hazardous conditions were filed. Finally, the Company strives to continuously improve its management of OHS risks through monitoring and exposure controls.



The table below provides a summary of our health and safety performance during 2022. We had one significant incident during which two Company employees were seriously injured while draining a dewatering pipe. The two workers were immediately given the necessary medical care, and the incident was thoroughly investigated to prevent recurrence. The event highlighted a shortcoming in our operational processes, as we did not have a clear procedure for carrying out this type of work. Following this event, we completed a thorough incident investigation to determine the causes of the accident and to prevent any recurrence. The majority of the other recorded injuries were related to slip and fall events.

¹³ Task safety analysis focuses on a particular task, ensuring that the task can be performed safely. Pre-task safety analysis focuses on a person's knowledge of the job and work environment, to ensure that they can safely perform the task before they begin.

OHS Performance in 2022:

Performance Indicator	Champion	Contractors	Total
Total recordable injury frequency rate	2.05	3.97	2.99
Lost time injuries	8	13	21
Lost time injury frequency	0.86	1.48	1.16
Restricted injury (lost time) ¹⁴	7	12	19
Restricted injury (lost time) frequency ¹⁵	0.75	1.36	1.05
Lost time injury & restricted work injury frequency ¹⁶	1.72	2.47	2.1
Lost time injury severity ¹⁷	20.81	20.19	20.5
Number of cases where first aid was provided ¹⁸	191	152	343
Number of medical consultations	924	475	1,399
Number of fatalities	0	0	0
Accidents	204	312	516
Near miss frequency rate	11.97	3.52	7.86
Total hours worked	1,854,352	1,761,100	3,615,452

¹⁴ We define a disabling injury as any injury that prevents a person from performing a regularly established job for one full day (24 hours) beyond the day of the accident.

¹⁵ In previous years, this was referred to as the 'disabling injury frequency.'

¹⁶ In previous years, this was referred to as 'lost time - disabling injury frequency.'

¹⁷ Average number of days lost per injury.

¹⁸ Values reported over 200,000 hours worked (excluding contractors and subcontractors), based on the international standard set by the Occupational Safety and Health Administration.

The Company operates its own occupational healthcare service, which provides basic medical care, and is staffed by qualified nurses 365 days a year. Our team includes a health coordinator, 4 nurses and 1 physician. Hearing loss and respiratory illnesses are the most common occupational diseases in the mining industry. Accordingly, a key part of our OHS program is helping employees assess the condition of their hearing and lungs, and understand how they can be affected in the workplace, so that together with our OHS team, they can take appropriate measures to prevent the occurrence of irreversible damage. In response to our rapidly growing workforce, we are in the process of expanding our healthcare service staff, which will enable us to maintain proactive tests and medical support going forward.

Emergency and fire preparedness have been important areas of focus over the reporting period. We now have a team of 59 firefighters, we have purchased an ambulance suited for all-terrain use, and we have built an ambulance garage close to our administrative building to optimize response times. We allocated more than \$400,000 in additional equipment to further improve our emergency response capacity, in addition to emergency response training, which was also a key focus during 2022. The average number of hours our employees received in emergency response training are listed in the table below. Furthermore, we conducted a dike failure simulation to improve our Emergency Response Plan.

We also began a project involving our pit walls that should have a positive impact on our health and safety performance. Through an ongoing project with Laval University, we obtained a \$300,000 grant from the Fonds de recherche du Québec - Nature et technologie to optimize the angles of our pits, to reduce the risk of cave-ins at our site, increase pit stability and reduce health and safety risks.



Emergency response training for the Champion's fire protection team:¹⁹

Course name	Number of employees	Number of training hours per employee
Industrial firefighting	15	40 hrs
First response	23	40 hrs
Preventionist in riparian work environments	3	8 hrs
Confined space rescue	22	32 hrs
High altitude rescue (vertical)	28	20 hrs
First Aid	22	16 hrs

COVID-19 Pandemic Management

Throughout 2022, the COVID-19 pandemic continued to impose challenges for our operations and Company. Since the beginning of the pandemic, we have recognized that we have a responsibility to make a sustained effort to minimize the spread of the virus in our workforce and in the communities where we operate. In 2020, we implemented a series of measures that have respected and even surpassed the recommendations of the governments of Québec and Canada. In October 2020, we established a COVID-19 testing laboratory at Bloom Lake to mitigate the risks related to the pandemic and to limit the spread of COVID-19. Starting in 2021, we also participated in the Québec vaccination campaign.

As the pandemic began to wind down over the course of 2022, we decided to close our COVID-19 testing laboratory, but maintain its infrastructure to enable a potential reopening within 24 hours if required to mitigate future risks to our people and communities.

In 2023, we will continue to focus on solidifying the foundations of our OHS management system through training and improving risk identification and management.

Performance Indicators:

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8 (partial), 403-8, 403-9, 403-10
SASB EM-MM-320a.1 (partial)

¹⁹ Please note that these numbers are also captured within the overall training figures reported under Our People.

PERFORMANCE SPOTLIGHT



In tandem with our rapid growth, our workforce increased by nearly 80% in the last three years. A growing workforce results in more hours worked and increased exposure to health and safety risks.

While our growing and dedicated workforce enabled our Company to continue deploying its vision with growth projects, including the recent completion of the Phase II expansion, our health and safety performances significantly improved year on year resulting in record statistics for our Company.

Over the last years, we improved and optimized our training and awareness campaigns to minimize the injury frequency as we aim to enhance our safety culture.

We also optimized our processes with contractors to ensure the safety of their workers. As we value our workforce as our most valuable asset, we aim to optimize our practices to maintain a safe workplace for all workers across our operations.

OUR PEOPLE

Our people are our most valuable asset and the primary driver of our success as a sustainable mining company. They shape our values and corporate culture, enabling us to be a leading employer in the region. We strive to create a collaborative work environment rooted in fairness and respect through our management of labour relations, training and skills development, and our diversity, equity and inclusion efforts. We aim to provide equal opportunities for all employees and promote the hiring of traditionally underrepresented groups. We provide employees with long-term development opportunities, understanding that our success as a company is dependent on their performance, wellbeing, skills, and commitment. In turn, Champion's commitment to our employees is encapsulated in our Code of Conduct, Diversity Policy, Prevention of Discrimination and Harassment Policy, Human Rights Policy, Whistleblower Policy, Occupational Health and Safety Policy, and our corporate values.

Our Performance

With the completion of the Bloom Lake Phase II expansion, our workforce increased during the period, totalling 977 full-time permanent jobs as of December 31 2022,²⁰ representing an increase of approximately 20% year on year. With the addition of six temporary contract employees, this increased the total to 983 full-time employees.²¹ In order to improve our talent recruitment efforts, during the reporting period, we expanded our talent recruitment team. In addition, we continued our efforts to reduce systemic barriers to the recruitment of First Nations candidates.

We have included a member of the local community in the recruitment process to eliminate communication barriers and potential bias. In line with our continuous dedication to respecting all our workers, this year we completed pay equity programs for both our unionized and management and professional employees.



²⁰ Employment data numbers are calculated according to head count. We do not collect data on workers who are not our employees but whose work is controlled by the organization (including contractors), with the exception of data on the number of First Nations workers indirectly employed by the Company. However, our OHS system does track contractor OHS metrics for contractors on site.

²¹ 0.7% of our full-time employees are therefore non-permanent contract employees.

During the year, we deployed a new intercultural training program titled "Cultural Awareness Training," designed to foster a better understanding of the cultural heritage of our local First Nations communities, with a specific focus on the Innu community of Uashat mak Mani-utenam, our nearest neighbour. We achieved our goal of 100% employee participation in this cultural training as of December 31, 2022. Going forward, we intend to make cultural training mandatory for new and existing employees to foster stronger relationships between all of our employees, including our First Nations employees, and between our employees and our host communities.

Our Employees as of December 31, 2022:²²

	2020	2021	2022		
			Total	Men	Women
Total Number of Employees	605	919	983	865 (88%)	118 (12%)
Contract Employees	54	108	6	5 (83%)	1 (17%)
Permanent Employees	551	811	977	860 (88%)	117 (12%)

Labour Relations

Champion supports employees' rights to freedom of association and values the advancement and protection of workers' rights. Approximately 62.6% of our workforce is unionized, and we are operating in accordance with a collective bargaining agreement ("CBA") reached on June 23, 2021, which is set to be renewed in September 2023. There were no labour-related work stoppages, strikes or lockouts during the reporting period. We strive to offer competitive wages and benefits. In 2022, our basic management and professionals salary was \$28.37 per hour for men and \$28.01 for women, which compares favourably with the minimum wage in the Province of Québec of \$15.25 per hour.

We offer a modular group insurance program that allows each employee to choose the coverage that best suits their needs. Our full-time employees receive a range of benefits, including medical and dental care, life insurance, accidental death and dismemberment insurance, and disability insurance.

²² We did not have any non-guaranteed hours or part-time employees during 2022.

²³ Temporary employees do not have access to pension plans and group insurance benefits, including our telemedicine service.



Additionally, we offer a savings and pension plan, which sets employee contributions at 3% and employer contributions at 6%. We also offer optional plans for additional employee contributions, leading to a supplementary employer contribution, that can range from 9% to 12%.²³ Over the course of the reporting period, Champion paid a total of \$128.4 million in wages and benefits to our employees.

To maximize our employees' wellbeing and optimize productivity, during the reporting period, we established a Flexible Work Policy, which seeks to facilitate remote work, and establishes procedures for setting flexible schedules and a flexible work environment while continuing to fulfill business needs.

Addressing employees' concerns and grievances is one of our highest priorities in labour relations. Our internal Employee Grievance Mechanism and CBA enable any employee to report a business ethics or human rights concern to a Human Resources representative, their Union representative, or to a designated independent third party via the Whistleblower Policy on our website, without fear of retaliation. In 2022, 156 grievances were received, a significant improvement compared to the 240 grievances recorded in 2021. The most common topics covered by the grievances are noted in the table below. There was a higher number of grievances related to the interpretation of the CBA than in previous reporting periods. This was primarily associated with COVID-19 and vaccination hesitancy by some of our employees, creating transportation related concerns amongst our employees. As part of the CBA Champion provides air transportation to the site for all employees. Accordingly, due to pandemic related restrictions imposed by Transport Canada regulations in 2022, we could not maintain transportation for employees who remained unvaccinated. There were zero violations of Champion's Code of Conduct, and zero dismissals associated with breaches of the Code of Conduct.

Grievances Received in 2022:

Main Grievance Topic	Number of Grievances		
	2020	2021	2022
Subcontracting and financial complaints	10	13	5
Disciplinary notice appeal	14	10	7
Dismissal appeal	8	2	28
Interpretation of the CBA	9	27	116
Other	N/A	188	0
Total	41	240	156



²⁴ We do not collect data on training hours received disaggregated by gender.

Training and Skills Development

Our people are the primary driver of our success, and Champion is committed to investing in our employees' training to ensure that they are well equipped for their current and future jobs. We delivered a total of 43,311 total hours of training to our talent during 2022, for an average of 44 hours of training per employee.²⁴The average number of training sessions received per person categorized by role is listed below.

Average number of training hours received per person:

	2020	2021	2022
Management	6	40	62
Professional and engineering executives	15	25	20
Administrative, technical and clerical	7	16	23
Production	22	54	46

During the reporting year, we deployed our human resources management cycle that includes four steps: goal setting, talent review, mid-year performance review, and calibration and year-end performance evaluation. During the second step, talent review, managers are now using formal tools to identify high potential employees and critical positions. We began to train managers on building and implementing individual development plans to coach and support employee growth and career progression aligned with the overall organizational strategy so they can coach their employees in their development journeys. All management and professionals are provided with a supportive work environment and tailored approach to encourage continuous learning and growth.

As part of our dedication to fostering learning and continuous development, during the year we also deployed a two-day training course for all managers and professionals that emphasizes the importance of getting to know our colleagues and offers practical advice on how to work well with others. Finally, while we do not offer employee transition assistance training, we offer several programs that enable our employees to upgrade their skills, including, but not limited to: English courses, environmental due diligence, Excel & Word training, project management, industrial fire fighting, aerial work platforms, work at heights, and compressor training.

Employment and Retention



At Champion, our goal is to attract and retain the best possible talent that meets our values and culture. We monitor staff turnover and utilize exit interviews to understand how we can better support our employees and continuously improve and adapt our workplace to meet new realities, healthy management practices and employee needs. In 2022, a total of 135 employees left Champion, including 25 women and 110 men. We hired 318 new employees, 14% of which were women. Overall, there was a fairly even age distribution within our workforce. In part driven by the completion of our Phase II expansion and increasing employee mobility in the context of a talent shortage in our industry, the annual staff turnover rate was 15% in 2022, up from 6.9% in 2021. In the case of any operational changes, the minimum notice period given to employees is one week as set out in our bargaining agreement.

All 977 of our permanent employees are entitled to parental leave. During the reporting period, 4 women and 22 men took parental leave. Of this number, one woman and 21 men returned to work following the completion of their leave as of December 31, 2022. Since we began reporting this data in 2022, we do not yet have figures for the total numbers of individuals who are still employed at Champion twelve months after returning to work from parental leave, and the corresponding retention rates. Such disclosures will be included in future reporting.

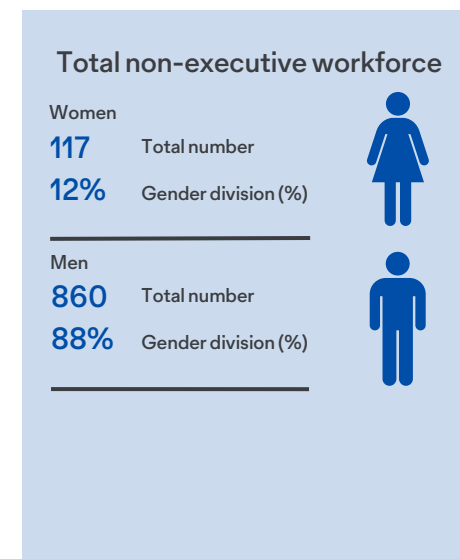
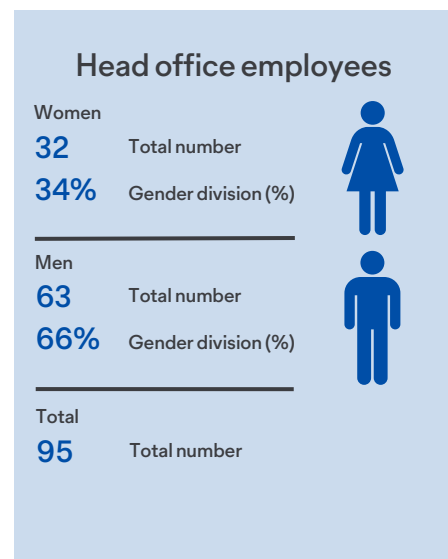
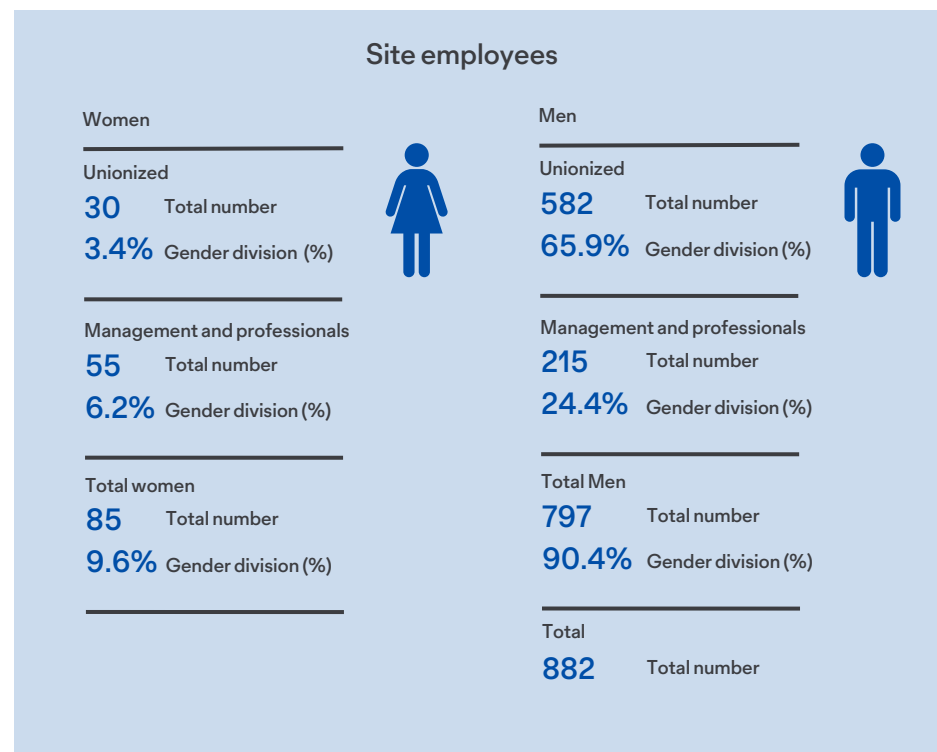
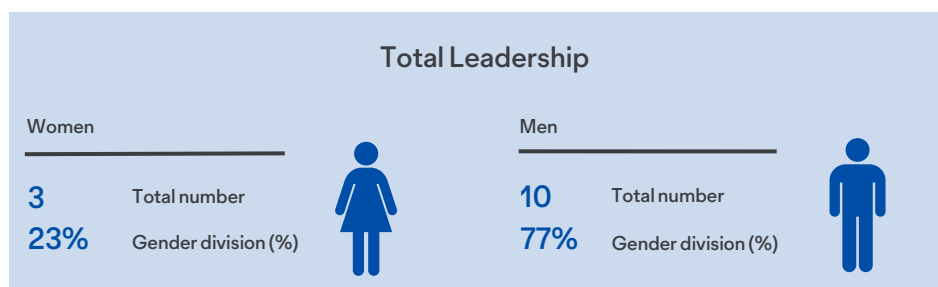
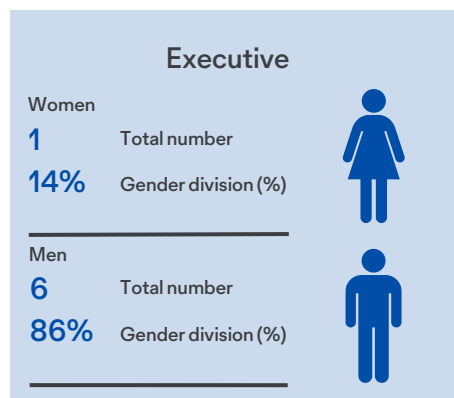
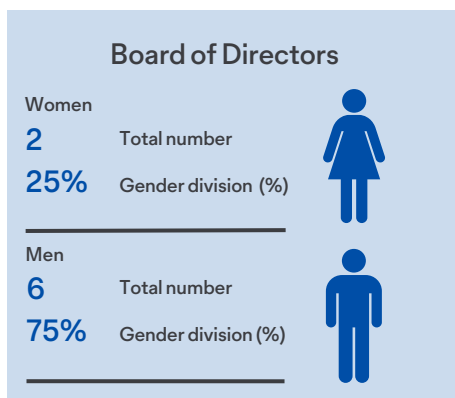
Age range of Champion employees, and their retention:

Age Range:	All Champion Employees	New Champion Employees		Employees who Left Champion	
		Women	Men	Women	Men
20-24	38	2	22	1	3
25-29	114	4	50	4	16
30-34	168	6	40	6	18
35-39	134	5	36	1	14
40-44	145	14	37	5	14
45-49	137	3	41	5	18
50-54	115	5	24	2	9
55-59	79	2	19	1	12
60-64	46	2	6	0	5
65-69	1	0	0	0	1
Total	977	43	275	25	110

Diversity, Equity and Inclusion

Our commitment to building a diverse workforce is encapsulated in our Diversity Policy, which defines the Company's approach to achieving and maintaining diversity for all positions, including Board and executive officer positions, with an emphasis on gender diversity. Moreover, we seek to create employment opportunities for members of local First Nations communities.

We strive to increase women's representation in leadership positions and in our workforce. In 2022, women held 12% of positions across the Company (excluding the executive and Board level), in-line with 2022 ratios. While the remote work environment, including fly-in/fly-out for our employees, creates challenges for attracting women to our workforce at the mine, approximately 38% of our head-office workforce are women. One quarter of our Board of Directors and 14% of our Montréal executive team are also women. While we presently do not track non-binary gender diversity, our policies and practices of respect for individuals apply to all, regardless of sexual or gender identity. During 2022, we implemented two pay equity programs, for both unionized employees and management and professionals. While the Company is committed to gender pay equity for same roles and positions, the slight discrepancy between men and women basic salaries reflects different roles and positions across the organization.



We recognize that one of the most important contributions we can make within our First Nations partner communities is to provide training for both direct and indirect employment opportunities. As of December 31, 2022, we had 28 First Nations employees, and supported more than 100 indirect First Nations jobs. Further details on First Nations employment and our First Nations hiring practices can be found in the Communities and First Nations chapter of this report.

In 2023, we will continue to focus on improving our annual human resources management cycle and optimizing the performance of our human resources information systems. We will also continue to focus on improving our support systems for First Nations employees.



Performance Indicators:

GRI 2-7, 2-30, 3-3, 202-1, 201-3, 401-1 (partial), 401-2, 401-3 (partial), 402-1, 404-1 (partial), 404-2, 404-3, 405-1, 405-2, 407-1, MM04
SASB EM-MM-000.B, EM-MM-310a.1, EM-MM-310a.2

PERFORMANCE SPOTLIGHT



We strive to promote cultural diversity and firmly believe that our differences are beneficial to our Company and our employees.

To overcome any cultural barriers with our local First Nations communities and employees, during 2022 we developed and implemented “Initiation to Cultural Awareness” training.

The training enabled our employees to better understand the history and culture of our First Nations partners and their First Nations co-workers, and to make our workplace more inclusive and respectful of differences.

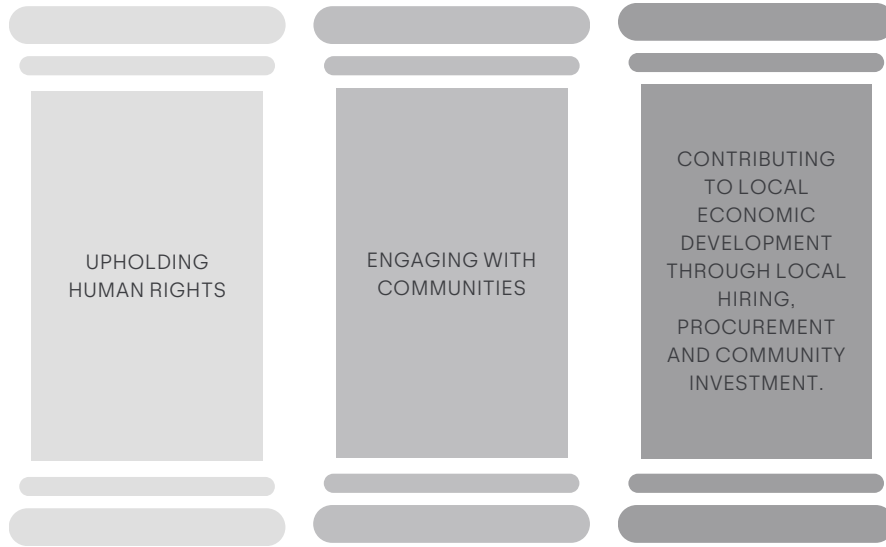
In order to encourage employee participation, 5% of the performance incentive bonus was dependent on the completion of this training by 100% of our employees, and we are proud to report that this was achieved in the period.

COMMUNITIES AND FIRST NATIONS

Champion is committed to making a positive contribution to local and First Nations communities in the areas where we operate, by developing inclusive trusting relationships and managing our impacts, as we work together towards a common objective of ensuring a positive legacy. At Champion, we recognize that our operations can create significant positive impacts for local communities, particularly through employment, procurement, and community investment, but we are also aware of the potential for adverse and unintended impacts. We strive to avoid causing or contributing to any such adverse impacts, understanding that poor management can contribute to a lack of trust, operational disruptions, disputes and missed opportunities in creating mutual benefits with stakeholders.



Champion's dedication to developing strong relationships with local communities and First Nations partners is built on three pillars: 1) upholding human rights; 2) engaging with communities; and 3) contributing to local economic development through local hiring, procurement, and community investment.



Maintaining continuous dialogue enables us to better understand the concerns and interests of local communities and our First Nations partners. We provide accessible mechanisms for communities to raise any concerns regarding any actual or perceived impacts from our operations. Our Human Rights Policy details our commitment to supporting and protecting the rights of all people, including our employees and subcontractors, as well as the communities in which we operate and those who may be affected by our activities. The Human Rights Policy applies to all Champion employees, and we actively encourage our partners and subcontractors to adopt a similar policy within their own companies.

The Bloom Lake site is located on the territory of the Ashuanipi Corporation, which includes the communities of Uashat mak Mani-utenam ("ITUM") and Matimekush-Lac John, and therefore lies within the vast ancestral Innu territory called Nitassinan. All our proven and probable reserves are also located in or near First Nations land.²⁵ Champion's engagement with First Nations partners and local communities is central to our efforts to contribute to long-term sustainable development outcomes for the communities where we operate. Our 2017 IBA²⁶ guides us in this respect, and is foundational to the mutually beneficial relationship we have built with our First Nations partners.

²⁵ Our operations are not located in or near areas where artisanal or small-scale mining takes place, and our operations did not require the resettlement of any communities near our operations. None of our operations or reserves are located in areas of active conflict.

²⁶ Our IBA was established with the community of Uashat mak Mani-utenam and includes benefit provisions for the community of Matimekush-Lac John as well.

Our Performance

In line with our dedication to constantly nurture an equitable and respectful relationship with our First Nations partners, we undertook several initiatives during the reporting period. In the fall of 2022, we opened our first community relations office within the ITUM community. We now have a full-time presence in the community, including a team accessible to anyone from ITUM who may have questions or concerns regarding our operations.

We expanded our community relations team by hiring two Innu representatives, as well as a First Nations advisor, who is a member of the community. Finally, we developed a cultural awareness training program for employees, described further in the following section.



Rights of First Nations, Engagement, and Protection of Cultural Heritage

Champion's 2017 IBA guides our current practices, initiatives and ongoing engagement with our First Nations partners. No significant new investment agreements were undertaken in 2022. While we have a system of committees in place, including a coordination committee and two subcommittees, to allow for formal consultation regarding the IBA, formal meetings were temporarily interrupted due to the COVID-19 pandemic. During the reporting period, we focused on re-engaging and optimizing formal meeting structures. While informal engagement with community leadership has continued throughout the period and has flourished with the opening of our community relations office in ITUM, we are keen to re-establish formal engagement structures in the near future, in order to discuss implementing mutually beneficial key performance indicators.

Champion has a community grievance mechanism, accessed via our Company's website, which allows members of host communities to easily lodge complaints from anywhere and share concerns with our management team, including the option of doing so anonymously. A dedicated email address is consistently monitored for this purpose, and a responsible manager is charged with monitoring each complaint until a satisfactory resolution is achieved. During the reporting period, we did not receive any formal grievances through our community grievance mechanism and did not receive any formal reports related to potential or actual violations of human rights, customary rights, or land use related to First Nations or other local communities. Additionally, there were no significant disputes or litigation involving First Nations and other local communities, and there were no technical delays or stoppages arising from community unrest during the reporting period.

Over the course of the year, we received several informal complaints of cultural insensitivity from both First Nations employees and community members. As described in the [Our People](#) section, we proactively developed and delivered a new "Cultural Awareness Training" program. This training contributed to improving the cultural sensitivity of our workforce and positively impacted our relationship with our neighbouring First Nations communities.

Additionally, the training aligns with the Call for Action no. 92 of Canada's Truth and Reconciliation Commission, which asks companies to commit to educating their employees about the history of First Nations in Canada. We are proud to report that one hundred percent of our employees completed this training within the reporting period. This new training has been central to our 2022 efforts to build greater awareness of First Nations rights, culture and history within our workforce.



In recognition of the painful history of Canada's First Nation communities, we commemorated September 30th, the second annual National Day for Truth and Reconciliation, established in 2021. We observed a one-minute shutdown of operations at Bloom Lake as well as a one-minute of silence in our Montréal offices to allow all employees to reflect on the importance of this day. We additionally reached an agreement between the Company and representatives of the local union to recognize Aboriginal Peoples' Day (June 21) as a holiday for Bloom Lake workers. Our Innu employees gave testimonies, and we held several workshops on reconciliation, healing, and the challenges of integrating Innu employees in a non-First Nations context. With a view towards highlighting the importance of local cultural heritage, local residents from ITUM held workshops on the importance of the caribou and traditional medicines embedded within their culture. We were also proud to commemorate our growing relationship with our First Nations partners during the inauguration of our Phase II expansion project, through a celebration of Innu gastronomy, music, and art. Through recognition of our growing relationship and mutual benefit with our First Nations partners, we named our Phase II plant "Tshinanu", which means "we, together" in Innu-aimun.

Community Relations and Community Investment

Over the course of the reporting period, we continued to optimize engagement documentation management procedures to better track stakeholder engagement. We additionally formalized a Donation and Sponsorship Policy, that seeks to contribute to local sustainable development through support of various programs that contribute to cultural and social well-being, through financial, in-kind donations, sponsorships, and support for employees' volunteering efforts.

In addition to ongoing engagement with our First Nations partners, we have begun to regularly meet and engage with residents of Lac Daigle, who have expressed some concerns about potential impacts from our sterile rock storage area as our operations expand. Their primary concerns include noise, visual impacts, and impacts on groundwater quality. While our Company continuously seeks to mitigate the impacts of our operations, concerns regarding air quality have also been raised by government representatives and these are currently being addressed. Additionally, to better understand community concerns, we met with community members to discuss possible impacts and potential mitigation measures for local residents. As part of the mitigation measures, we are presently working on a compensation plan as recommended by the Bureau d'audiences publiques sur l'environnement ("BAPE") during our public hearings.



Our hope is that our compensation measures become an example of sustainable mining for critical resources in the mining industry. Our work with local municipalities and engagement with local Chambers of Commerce continued during the reporting period, enabling us to improve our understanding of stakeholder concerns, including those of local businesses, some of whom are concerned about difficulties recruiting local talent, given the presence and competitive hiring practices of numerous large mining companies in the region.



We contribute to both First Nations and local communities through our community investments. These include our IBA-related investments, which enable local communities to manage projects and programs that enhance socio-economic development and create benefits with lasting value that can continue after the mine closes. Our IBA-related community investment spending totaled \$6.8 million in 2022. We also committed \$23,500 to support various socio-cultural activities in ITUM.

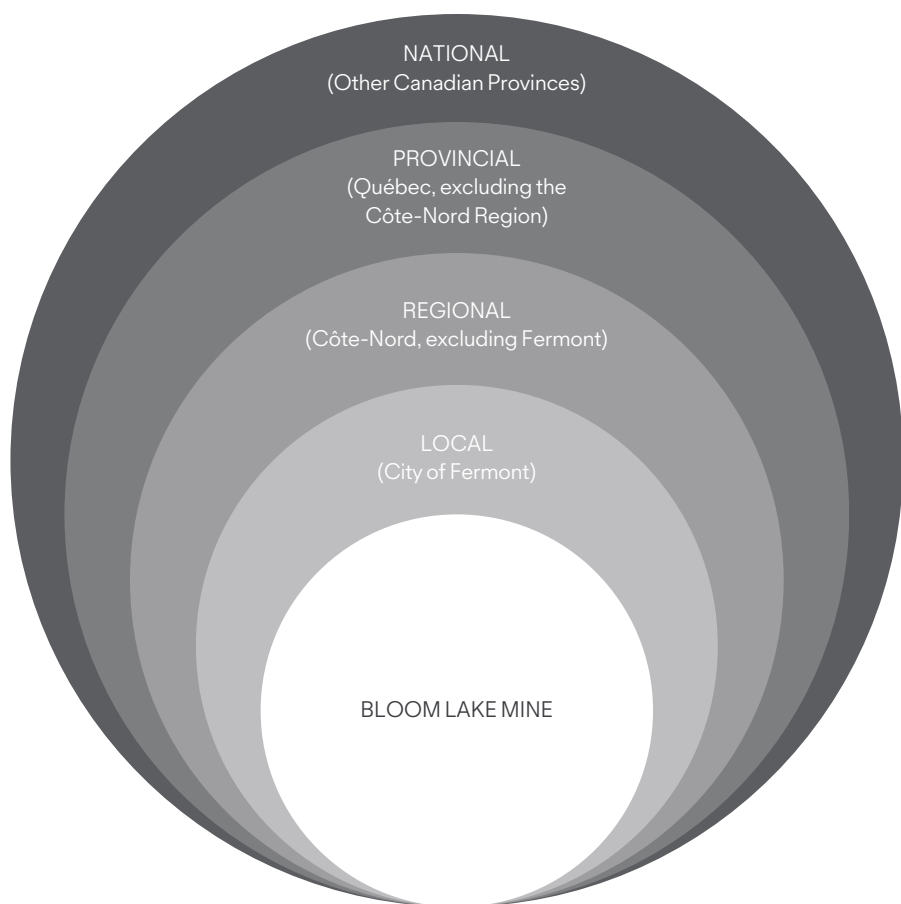
Beyond our IBA commitments, we continued to provide direct financial support within our local communities in 2022, in the amount of \$240,000. As part of this, we pledged \$25,000 over two years to Maison l'Envol, a non-profit organization which provides family services, including a free perinatal clinic, in Sept-Îles, to help establish an emergency fund for families in need of critical support. Working together with our employees, who participated in the Race for Champions organized by Cancer Fermont, the Company donated \$8,250 to Cancer Fermont in support of their ongoing efforts to help improve the quality of life of local residents dealing with cancer. In partnership with another regional major mining company, the Company additionally committed to jointly donate \$50,000 to support various local initiatives in the town of Fermont.

First Nations and Local Employment and Procurement

Our hiring and procurement practices prioritize local and First Nations suppliers whenever possible. We define local across several geographic areas and we track our hiring and procurement spending within these definitions. Within our procurement practices, we employ a ranking system that grants priority to companies that are either local, First Nations, or both, giving priority to local First Nations companies.

In addition to providing indirect jobs in First Nations communities through our partnerships with First Nations businesses, we are the largest mining employer of First Nations people in the Labrador Trough, despite our smaller scale, compared to surrounding operations.

Definition of Local



Local Economic Benefits:

	2020	2021	2022
Local and First Nations jobs ²⁷	37	58	51
Local sourcing from suppliers not including First Nations suppliers (millions of dollars)	13	17	23
Regional sourcing from suppliers not including First Nations suppliers (millions of dollars) ²⁸	219	376	406
Sourcing from First Nations suppliers (millions of dollars) ²⁹	27.7	47.1	15
IBA-related Community Investments (millions of dollars)	5.2	5.2	6.8

According to the most recent demographic census data (2021), the population of the town of Fermont is nearly 2,300. The First Nations communities of Uashat Mak Mani-utenam and Matimekush–Lac John represent approximately 3,000 and 600 inhabitants respectively. Champion closely collaborates with these communities to develop and hire as many of their qualified members as possible.

As of December 2022, we had 28 local First Nations employees, up from 25 in 2021. No interns were employed during the year due to the ongoing Covid-19 pandemic, but our internship program will resume in summer of 2023. To better enable our First Nations employees to succeed in their roles, over the reporting period we continued to support the development of an Innu committee which is composed of Innu employees who can provide culturally appropriate support to other Innu employees. In 2023, we plan to further formalize the roles and functions of this committee.

To promote growth in First Nations employment within the mining industry, in 2022 the Company partnered with ITUM and a sectoral workforce committee to establish a Mining Essentials program. The program is designed to introduce First Nations participants to our organization and to provide training for those who may be interested in pursuing a career in the mining industry.

²⁷ Includes all First Nations workers (including those working in our Montreal office), and non-First Nations local (Fermont) employees.

²⁸ Not including local (Fermont). Please note that the 2019 and 2020 Sustainability reports labeled this category as 'local' suppliers.

²⁹ First Nations businesses or businesses that are First Nations partners. This figure includes Phase I and Phase II spending.

Despite our dedication to hiring qualified workers locally, our labour needs also necessitate the hiring of workers at regional and national levels. Commuting workers at our mine site work on a rotating work schedule of 14 or 7 days, while housed at the Company's facilities in the local community, followed by 14 or 7 days off at home. The number of local employees represented 2.4% of our operational workforce in 2022, while regional and provincial commuting employees represented nearly 98%. 100% of the management at the mining site (general managers and directors) are permanent residents of the province of Québec.

In terms of supporting local suppliers and First Nations businesses, Champion actively liaises with local Chambers of Commerce to help build the capacity of local businesses to work with the Company, and sits on the Board of the Chambre de Commerce de Sept-Îles-Uashat mak Mani-utenam. Approximately \$968 million in contracts were awarded to companies with business units in the province of Québec over the course of the reporting period, which represents 74% of all contracts awarded by the Company.



Local and Regional Sourcing: Value of Contracts Awarded by Champion to Suppliers in the Côte-Nord Region (FY23)

	Value (in millions of dollars)	Percentage
Sept-Îles	329	77%
Baie-Comeau	25	6%
Fermont	23	5%
Others	52	12%
Total	429	100%

This also represented a 10% increase from 2021. Companies with a business unit located in the Côte-Nord region, where the Bloom Lake Mine site is located, received approximately 33% of the contracts allocated in the period by the Company, with a value of \$429 million (a 9% increase). Finally, the Company awarded \$15 million in contract values to First Nations suppliers or partners (a 68% decrease compared to 2021). This decrease is attributed to the completion of Phase II, since several of our 2021 contracts with First Nations suppliers were linked to Phase II construction.

To further contribute to local and regional business development, we began developing an investment fund in 2022 that will provide flexible loans or equity opportunities to local entrepreneurs to support the development of local businesses. We plan to fully operationalize this fund, which will help support local businesses, in 2023.

Provincial and National Sourcing: Value of Contracts Awarded by Champion to Canadian Suppliers (FY23)

	Value (in millions of dollars)	Percentage
Québec	968	82%
Newfoundland and Labrador	81	7%
Others	137	11%
Total Canadian Provinces	1,186	100%



Performance Indicators:

GRI 3-3, 202-1 (partial), 202-2 (partial), 203-1, 203-2, 204-1, 411-1, 413-1, 413-2, MM05, MM06, MM07, MM08, MM09
 SASB EM-MM-210a.2, EM-MM-210a.3, EM-MM-210b.1, EM-MM-210b.2

PERFORMANCE SPOTLIGHT



In line with our dedication to the promotion of socio-economic development within our local First Nations communities, in the fall of 2022 we partnered with ITUM and a sectoral workforce committee, Comité sectoriel de main-d'oeuvre de l'industrie des mines (CSMO Mines) to develop a training program titled "Mining Essentials." The program supports members of the Innu community interested in exploring and preparing for careers in the mining industry. This job training program incorporates traditional First Nations teaching methods using examples, tools, materials and situations specific to our industry, through a 360-hour training program, including 120 hours of enrichment activities at Bloom Lake. During its first iteration, the course enabled seven students to learn more about the daily life of someone working at Bloom Lake by immersing them in day-to-day activities and enabling them to get to know each of our departments. Designed to be recognized throughout the Canadian mining industry, the course provided our seven graduates with the requisite knowledge to consider a future career in the mining sector, or to seek additional training in the field. During the second iteration of the program, planned for 2023, students will be accompanied by the Company's human resources professional to develop a personalized career development plan.

ENVIRONMENTAL STEWARDSHIP

Champion recognizes that our mining operations have direct and indirect impacts on the environment, some of which may be adverse. We are committed to avoiding negative impacts wherever possible and mitigating and minimizing them when they cannot be fully avoided. Our aim is to apply high standards in minimizing, mitigating and compensating for any impacts arising from our operations, and to return the diversity of natural habitats near our operations following the end of our activities. Champion's commitment to environmental stewardship is captured in our Environment Policy.

Water Stewardship

Water is a common public resource, crucial for people and the environment, and it needs to be protected and preserved. Water is also an essential resource for our mining activities, enabling us to produce high-purity iron ore concentrate. Our water management approach and commitment are guided by our recognition that the watersheds in our operating area are central to the livelihoods of our stakeholders, including First Nations and local communities, in addition to its importance for industry and tourism. Our water-retaining structures are proactively managed against extreme flooding or other precipitation events, and we actively recycle water and use water treatment facilities for any surplus water that is released into the environment.

With nearly 700 bodies of water and nearly 1,000 streams and rivers, the area surrounding the Bloom Lake mine is teeming with natural water resources. We consistently seek to reduce our impact on water bodies and to reduce our use of freshwater.



Additionally, we engage with a wide range of local stakeholders in the implementation of adequate water management measures that meet the Company's operational needs, without compromising the water needs of other users in our watershed. We have organized our water management to direct our water to a single effluent point in Lake Mazaré, a subwatershed within the larger Caniapiscau River watershed, which flows into the larger James Bay/Hudson Bay watershed. Given the composition of the rock being mined at our site, our operations do not cause acid rock drainage that can negatively affect nearby waterways or ecosystems.

Our Performance

The table below provides an overview of our operational water performance over the last three years, covering the 12-month period from October 1, 2021, to September 30, 2022. This is consistent with the reporting period used for water stewardship data in past reports.

	2020	2021	2022
Freshwater input (Mm³)			
Pit dewatering (groundwater)	7.0	2.8	1.6
Precipitation on site	19.1	19.2	23.3
Reused or recycled process water (Mm³)	9.7	9.8	18.2
Change in stored water (Mm³)	1.3	0.3	1.5
Water output (Mm³)			
Hydrological losses (Evaporation, infiltration into a regional water table, sublimation of snow, water trapped in tailings voids and frozen tailings water and frozen tailings water)	6.2	5.5	7.9
Water used in the process	5.3	5.7	7.0
Treated water returned (Mm³)	13.3	13.5	8.1

During the reporting period, we tracked our total water input, which totalled 14,766 m³, with 415 m³ sourced from surrounding lakes.³⁰ Our tracking includes natural water sourced from surrounding areas (precipitation on site, water from pit dewatering, water pumped from lakes, water from water wells for domestic use) per tonne of iron ore concentrate produced, which increased from 111 L/per tonne in 2021 to 384 L/tonne in 2022.³¹

This increase in consumption was related to water pumped from the mine site pit, which increased by approximately 660,000 m³ as we mine deeper, and our MAMU accommodation complex, which accommodates our growing workforce, where water withdrawn for camp usage increased from 4,000 m³ to 34,000 m³.

We continuously work to increase our use of recycled water in our ore treatment process to reduce our freshwater consumption. We also proactively work to understand water-related risks and we regularly collect data to establish and understand the water balance of our operations. This information is shared with our stakeholders, including local communities, so that we can understand their priorities and collaborate with them to develop solutions to minimize any negative impacts and mitigate the risks associated with our collective water use.

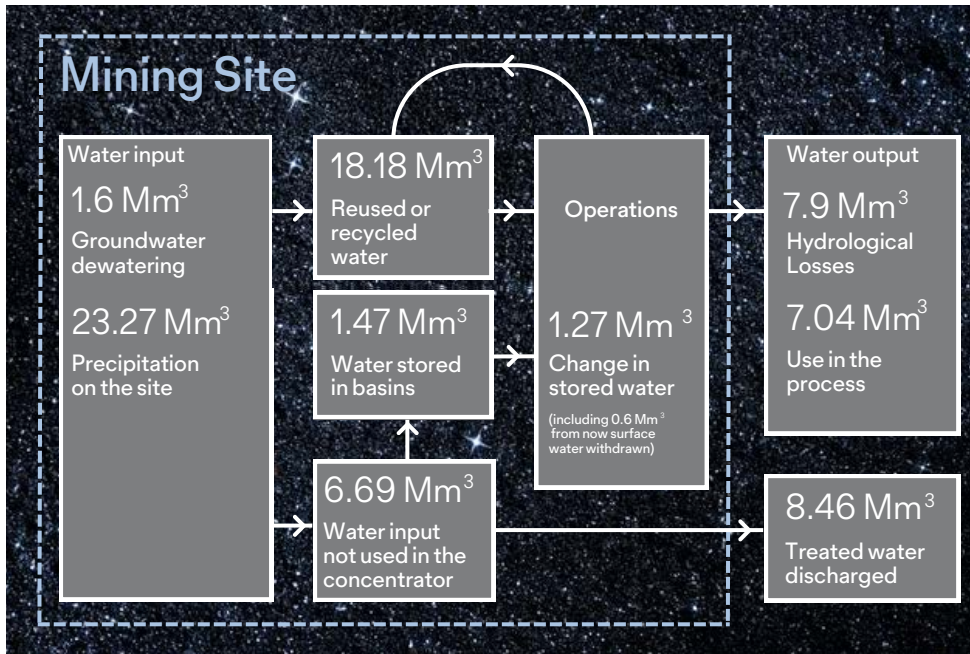
Over the course of the reporting period, we were able to increase our reused and recycled process water from 93% to 96% year. We are proud to report that our Phase II plant, which began operations in May 2022, fully operates using recycled water.

Performance	2020	2021	2022
Percent of reused or recycled process water	86%	93%	96%
Litres of water taken from surrounding lakes per tonne of iron concentrate produced	N/A	N/A	47
Total water taken from surrounding lakes (in million of litres)	N/A	N/A	415
Total water input (in millions of litres)	N/A	N/A	14,766
Litres of water sourced from natural sources ³² per tonne of iron concentrate produced	207	111	384
Number of significant incidents associated with water	0	0	0

³⁰ Water taken from surrounding lakes includes Lakes Bloom and Confusion.

³¹ Water taken from natural sources includes water taken from surrounding lakes, in addition to groundwater, runoff, and water used for our MAMU camp.

³² Includes water from Bloom lake, Confusion lake, explosive usage, wash bay, Mamu housing camp and pit dewatering.



The treatment of mining water from our operations is another key part of our overall water stewardship efforts. We do not operate in areas of water stress, which are defined as areas that are unable to meet the human and ecological demand for water, and there is generally an excess of natural water at the Bloom Lake site. All precipitation and snowmelt water in contact with our mining infrastructure is captured using a network of ditches over 35 km in length, located on the outskirts of the mining facilities. These ditches are connected to 39 transit water basins and 12 water retention basins that can safely contain and manage a 1 in 100-year to a 1 in 1,000-year storm or flood. Any surplus water not used at the mine site is treated at our water processing unit prior to discharge. Water monitoring before evacuation includes physicochemical characterization, namely for suspended solids, and biological testing (toxicity) to ensure that the released water is compliant with the highest standards of water management, in addition to helping protect biodiversity.

A total of 8.1 Mm³ of water was returned to natural surface water in the reporting period with 100% compliance with the physicochemical quality and toxicity criteria.³³ Treated water is returned into Mazaré Lake, which is home to several species, none of which has special status or is a threatened or vulnerable species. Neither the Mazaré Lake nor the nearby downstream bodies of water and their associated habitats are designated as protected areas, either locally, provincially, nationally or internationally.

No incidents of non-compliance associated with water quality permits, standards, and regulations, were recorded during the reporting period. There were also no incidents that could have an environmental impact or any medium or long-term effects on water resources.

In 2022, we upgraded two basins that collect water from the site to increase their robustness, in the event of an abnormally heavy rainfall event. We also started the installation of two new water management plants, one for drinking water and the other one for wastewater, to service the MAMU housing camp. Additionally, we continued to update our weather forecasting station to ensure that our water basins remain within our optimal operating levels.

As part of our alignment with MAC TSM, during the reporting period we established several water governance objectives that include risk management, such as developing a risk register, and monitoring levels of major basins to ensure that they have sufficient capacity to mitigate potential extreme weather events. Other objectives include maintaining a sufficient level of inspections for the basins and dikes and validating their conformity with regulatory requirements. Additionally, tests are performed on all water discharged back into the environment as part of our compliance regimen, in keeping with regulatory requirements.



Performance Indicators:

GRI 2-27, 3-3, 303-1, 303-2, 303-3, 303-4, 303-5, 413-2
SASB EM-MM-140a.1, EM-MM-140a.2

³³ The physicochemical quality criteria are determined by federal and provincial regulatory requirements.

Tailings Management

Tailings are a by-product of our mining activities and managing them is crucial to ensuring that we are responsible environmental stewards. Additionally, proper tailings management enables us to ensure the safety of our workers and local communities. Champion is committed to mitigating negative environmental impacts related to tailings management and is continuously working to improve its tailings management performance through monitoring and anticipating potential risks. International standards provide a guide to ensure the safe design, construction, operation, and closure of our tailings management infrastructure supports our goal of zero harm.

Champion's iron ore recovery process used to produce high-purity iron concentrate is primarily achieved with gravimetric systems, i.e. it does not involve metal leaching. The tailings deposited in our facilities therefore primarily consist of silica, a sterile material present in our ore, but they do not contain harmful chemicals. Understanding that rare failures of tailings management facilities can have lasting consequences for communities and the environment, we employ a robust tailings management strategy, based on four pillars:

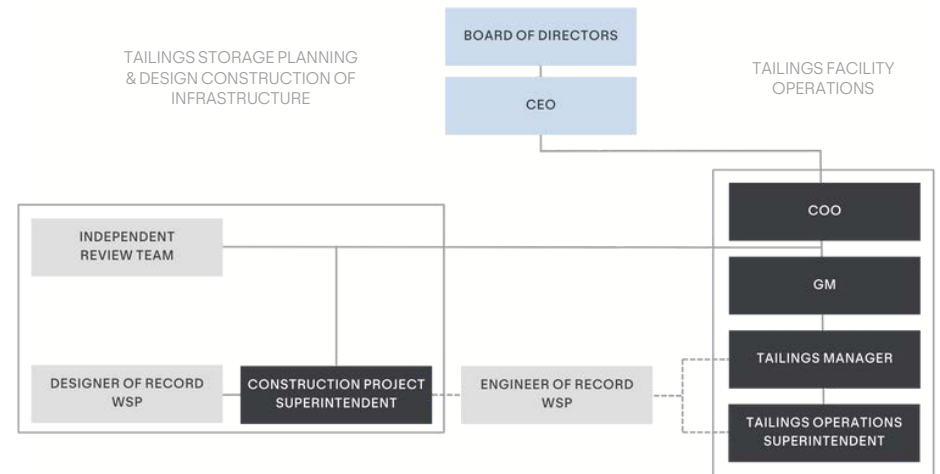
- safe infrastructure,
- strict design criteria,
- proactive risk management through monitoring, and
- sustainable post-closure planning.

This approach is intended to extend throughout the mining lifecycle, with our current operations estimated to last for an approximate 20-year life of mine period.³⁴ Our innovative and safe tailings management process consists of separating mine tailings into fine tailings (silt-clay) and coarse tailings (sand). As fine and coarse tailings retain water and settle differently over time, they are subject to tailored management approaches. We believe that by adapting our design according to their water retention capacity, among other factors, we contribute to the creation of a more stable and safe infrastructure.

Given our operations are located in the Canadian shield, a geologically stable region, we have benefitted from a particularly solid and stable foundation on which our tailings management facilities are built. We employ an impervious water retention design for storing our fine tailings.³⁵ For coarse tailings, we employ an improved upstream construction method that consists of using a pervious starter dike and upstream finger drains.

All retaining structures are subject to systematic visual inspections throughout the year and are guided by our robust risk management process cycle. Staff carry out weekly routine inspections on major infrastructure, while the Engineer of Record ("EOR"), an independent third-party expert performs detailed monthly assessments of the critical components (dikes, ditches, weirs, culverts, pipes, etc.).

External statutory assessments are carried out annually. Specific inspections are performed as needed to monitor any irregularities or emerging risks noted during detailed internal or statutory inspections.



Monitoring instruments are installed in specific areas around our tailings structures to facilitate continuous and real time monitoring through a telecommunications system. This enables us to identify any situation deserving specific attention that may require action to maintain or improve the safety of our infrastructure and prevent any incident.

Our site-level emergency planning and response plan includes a dedicated section on managing the unlikely event of a tailings management facility failure. Our management planning for such an event focuses on safeguarding the health and safety of employees and members of the community, protecting the natural environment, and ensuring effective communication with relevant stakeholders.

The table below provides details on our tailings management facilities, as well as our tailings governance structure.

³⁴ The stated life-of-mine period was determined by a 2019 Phase II Feasibility Study, suggesting that the present life of mine is 17-18 years. We are planning to undertake a study of our remaining resources which will provide us with a more accurate life-of-mine estimate.

³⁵ In previous reports, we described our fine tailings storage facility as employing a downstream and centreline design.

Facility name	Location	Ownership status	Operational status	Construction method	Maximum permitted storage capacity	Current amount of tailings stored	Consequence classification	Material findings	Mitigation measures	Site-specific Emergency Preparedness and Response Plan ("EPRP")
Bloom Lake Mine Complex Tailings Storage Facility	Fermont, Quebec, Canada	100% owned	Active	Fine Tailings: impervious Water retention type.	62 Mm3	6.5 Mm3	High, as per CDA	No	No	Yes
Bloom Lake Mine Complex Tailings Storage Facility	Fermont, Quebec, Canada	100% owned	Active	Coarse Tailings: pervious starter dike and upstream finger drains for drained coarse tailings, Improved upstream construction	146 Mm3	32 Mm3	High, as per CDA	No	no	Yes

Our Performance

In 2022, we achieved 100% compliance with the tailings retaining structure monitoring program. The table below summarizes our tailings management performance for 2022. We recycled 6% of our mine tailings during the period, and as previously noted in the [Water Stewardship](#) section, we increased our processing recycled water and efficiency from 93% to 96% over the year.

Performance:	2020	2021	2022
Tonnes of mine tailings produced (millions)	12.2	13.6	17.3
Tonnes of mine tailings stored (millions)	11.3	11.3	16.3
Tonnes of mine tailings reused (millions)	0.9	2.3	1.0

The completion of the Phase II expansion project during the reporting period doubled our production nameplate capacity and has substantially increased our tailings volume. Accordingly, our major tailings management focus in 2022 has been to support our tailing management capacity. Challenges include the increased need for labour and equipment, a need to adjust certain operating strategies, and altering the inventories of parts required for maintenance activities.

In March 2022 we completed the development and implementation of our operation, maintenance, and surveillance ("OMS") manual, a key ongoing project in the past two years. As part of improving integrated management, our Environmental Policy was updated to explicitly include tailings.

Following internal reviews of our dam break safety analyses, no changes were made to our tailings facilities consequence classification during the reporting period.

Reviews and updates this year included our annual five-year plan review and an update to our life of mine tailings management plan. Strengthening our management and oversight, we added two engineers to our team during the reporting period and optimized our team planning to schedule and coordinate our work.

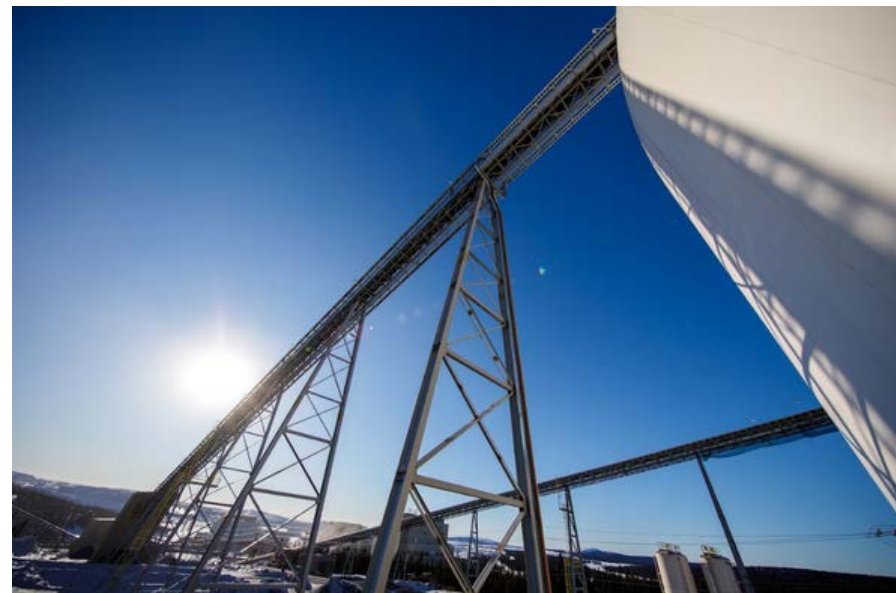
A number of tailings works were completed during the year in line with our objective to maintain structural integrity, ensure robust construction quality control, and overall strong management performance. Improvement works were carried out on basins BM05 and BU05, ensuring a more robust structural management, in particular more time and capacity for response in the case of any incidents. Further, we improved the waterproofing of one collector ditch at the foot of a dike, and we undertook civil works to upgrade two water collection basins to improve readiness for any heavy rainfall events. Additional monitoring instrumentation was installed to support our expanding infrastructure. Several tests were also conducted, including soil densification tests, and we continued to monitor water pressure to confirm that our site improvements were successful.

An annual statutory inspection was carried out in June 2022 by the Engineer of Record (“EOR”). The inspection did not detect any major anomaly within our structures, but guided us to some small maintenance works.

We annually perform chemical analyses and leaching tests on representative samples of fine and coarse mine tailings from the Bloom Lake site to determine their acid-generating potential and the leachability of metals from tailings. These tests involve chemically analysing test samples collected against set criteria established provincially by the Québec Ministry of the Environment. If the samples exceed those criteria, further leaching tests are performed. All chemical tests conducted in 2022 were lower than established thresholds, and no leaching tests were required. Historically, such reviews have shown that the Bloom Lake tailings have no potential for acid generation, due to their very low sulfur content.

Our Independent Tailings Review Board (“ITRB”), tasked with independently reviewing our tailings management system, continued its mandate during the reporting period, and produced two observation reports during the year. The ITRB’s 2021 comments were taken into consideration in 2022 when designing structures that are set to be built in 2023. The safety reviews of the dikes, which is suggested by the Canadian Dam Association (“CDA”), will also commence in 2023. We also continue to work with our Engineer of Record, engaged in 2021, whose mandate is established in accordance with industry guidance and best practices.

In August 2020, the Global Industry Standard on Tailings Management (“GISTM”) was issued by the International Council on Mining and Metals and the United Nations. Even though our tailings management system is based on the Mining Association of Canada (MAC) TSM tailings management protocol, during the reporting period for completeness we performed a third party GISTM gap analysis. Throughout the year a core focus of our continuous improvement efforts was on preventive actions, further bolstering the foundation of our tailings management system.



Over the past two years, the Company’s implementation of MAC TSM’s Tailings Management Protocol put in place rigorous standards for the responsible management of tailings. In November 2022, an external assessment was conducted based on the parameters contained in MAC TSM, which confirmed the findings of an internal self-assessment. It was our first assessment and we are optimising our systems and disclosures to continuously improve our performance. This will continue in 2023. Additionally, to support the improvement of our emergency planning, we conducted an emergency plan simulation during the reporting period. Future efforts will entail planning and action on Emergency Preparedness and Response Plan (EPRP) communication to stakeholders, local partners and communities of interest in the project area.

As our Company expands, investments to maintain a robust and safe tailings management strategy will remain a priority. This commitment could see adjustments to our management approach as industry standards evolve, to align and comply with best practices wherever possible, taking into consideration any emerging information or new risks in our operating environment. In the short to medium term we plan to progressively work with the public and local communities to develop an integrated emergency preparedness and management approach to foster a shared state of readiness for any unlikely tailings facility incidents.

Performance Indicators:

GRI 3-3, 413-2, MM03
SASB EM-MM-150a.5, EM-MM-540a.2, EM-MM-540a.3

Waste and Hazardous Materials Management

In addition to tailings, the main sources of waste generated by our site activities include sterile rock, as well as non-mineral waste, such as industrial and domestic waste. A key part of our commitment to responsible production is our effort to minimize waste generation or eliminate it at source when possible. We maximize the longevity of the products we use, recycle where possible, and optimize transportation and storage processes to reduce the environmental footprint associated with our waste management. In the event that industrial and domestic waste cannot be recovered or recycled, we dispose of it offsite in a responsible and compliant manner. This disposal is completed by adopting operational controls, including controlled storage whenever this may be needed.

In order to safely access iron ore, our mining operations remove sterile rock, which has minimal or no recoverable iron content. We store this rock in designated areas on site where some of it is reused as aggregate for the construction of site access roads and other infrastructure, and to optimize our sterile rock storage sites to reduce hauling distances. Additionally, we prioritize depositing our sterile rock in a stable configuration to support the eventual implementation of the mine closure plan.

The non-mineral waste produced at Bloom Lake includes non-hazardous and hazardous waste. Our non-hazardous waste is comprised mostly of scrap metal, contaminated soil, sludge, inert industrial waste, wood and domestic waste. Our hazardous waste consists mostly of oily water, used oil and grease, oil filters and rags soiled with hydrocarbons.

Waste recycling and disposal are handled offsite, based on the Company's decision to not bury or incinerate any waste on site, in keeping with our respect for the environment. Non-hazardous and hazardous waste are responsibly disposed offsite in accordance with regulatory requirements.



Our Performance

There were no issues of legal or regulatory non-compliance related to our waste management activities in 2022. A total of 19.6 million tonnes of sterile rock was excavated at the Bloom Lake Mine site in 2022. Approximately 1.9 million tonnes were reused as aggregate for the construction of site access roads and other infrastructure, while 17.7 million tonnes were stored within our on-site waste storage facilities. During 2022, optimizing sterile rock storage areas remained a priority as ongoing studies aim at reducing hauling times significantly in the future, thereby reducing fuel consumption, GHG emissions and transportation costs.

Total Sterile Rock Excavated (in million tonnes):

	2020	2021	2022
Sterile rock reused	1.4	2.3	1.9
Sterile rock stored	13.5	17.2	17.7
Total sterile rock excavated	14.9	19.2	19.6

We track and record the quantity of waste produced at Bloom Lake, including non-hazardous and hazardous waste. These data are presented to regulatory authorities as required.

In 2022, an increase in hazardous waste was generated, but non-hazardous waste decreased as we ended the construction associated with our Phase II expansion. The total waste produced, aside from tailings and sterile rock, was 7,735 tonnes, down from 8,745 tonnes in 2021.

The amount of non-mineral waste produced per tonne of iron ore concentrate produced also declined during the reporting period from 1.11 in 2021 to 0.69 kg per tonne.

Waste Generated Per tonne of Iron Concentrate Produced, excluding sterile rock and tailings (in kilograms):

Performance:	2020	2021	2022
Non-hazardous waste generated per tonne of iron concentrate produced ³⁶	0.51 ³⁷	1.01 ³⁸	0.60
Hazardous waste generated per tonne of iron concentrate produced	0.13	0.09 ³⁹	0.09
Total non-mineral waste generated per tonne of iron concentrate produced	0.63 ⁴⁰	1.11 ⁴¹	0.69

Of the non-hazardous waste produced, 1,960 tonnes were reused or repurposed offsite, while another 1,196 tonnes were recycled offsite. Thus, 3,156 tonnes of non-hazardous waste were diverted from disposal, while 3,587 tonnes were disposed. Of the hazardous waste produced, 288 tonnes were diverted from disposal and recycled or repurposed offsite, while 704 tonnes were disposed. As a result, 3,444 tonnes of non-mineral waste were diverted from disposal, while another 4,291 tonnes were disposed. ⁴²



³⁶ This figure does not include sterile rock or hazardous waste.

³⁷ This figure was incorrectly reported in the 2021 Sustainability Report as 0.53 due to a calculation error.

³⁸ This figure was incorrectly reported in the 2021 Sustainability Report as 1.04 due to a calculation error.

³⁹ This figure was incorrectly reported in the 2021 Sustainability Report as 0.10 due to a calculation error.

⁴⁰ This figure was incorrectly reported in the 2021 Sustainability Report as 0.66 due to a calculation error.

⁴¹ This figure was incorrectly reported in the 2021 Sustainability Report as 1.14 due to a calculation error.

⁴² Due to rounding errors, the total amount of non-mineral waste diverted from disposal (at 3,443 tonnes) and non-mineral waste that was disposed (at 4,292 tonnes) do not exactly correspond to the sum of hazardous and non-hazardous waste categories listed and presented above.

Non-hazardous Waste Generated in tonnes in 2022 (excluding sterile rock and tailings):

		2020	2021	2022
Reused/repurposed offsite	Scrap metal	1,120	2,227	1,761
	Rubber	176	132	4
	Tires	96	351	195
	Total reused/repurposed	1,392	2,710	1,960
Recycled offsite	Paper and cardboard	34	55	86
	Wood	109	2,055	1,041
	Mixed non-hazardous waste	96	133	69
	Total recycled	239	2,243	1,196
Responsible offsite waste disposal	Contaminated Soil	1,000	1,385	1,712
	Inert industrial waste	543	1,009	1,408
	Sludge	876	328	436
	Biomedical waste	NA	334	31
	Total disposed offsite	2,419	3,056	3,587
TOTAL		4,050	8,007	6,743

We are constantly looking for ways to improve the treatment of our waste and to reuse and recycle when possible. During the reporting year, we ran a Green Depot pilot project, which increased the recycling of returnable containers such as carton containers, drink cans and plastic bottles. The province of Québec does not recycle/refund these items, so we developed a project which collects and hauls these materials to a Green Depot across the provincial border in Labrador. We plan to donate the money collected from this project to local communities.

During the reporting period, discussions stemming from 2021 continued with the town of Fermont and another regional iron ore producer, to develop a local waste management site that can also process organic waste, supporting future reclamation efforts. We are hopeful that this project will be implemented in the coming years.



Performance Indicators:

GRI 2-4, 2-27, 3-3, 306-1, 306-2 (partial), 306-3, 306-4, 306-5 (partial), 413-2
 SASB EM-MM-150a.4, EM-MM-150a.6, EM-MM-150a.7, EM-MM-150a.8, EM-MM-150a.9, EM-MM-150a.10

⁴³ This figure was incorrectly reported in the 2021 Sustainability Report as 12 due to a calculation error.

⁴⁴ This figure was incorrectly reported in the 2021 Sustainability Report as 234 due to a calculation error.

⁴⁵ Because of a calculation error, this figure was incorrectly reported in the 2021 Sustainability Report as 738.

Hazardous Waste Generated in tonnes in 2022:

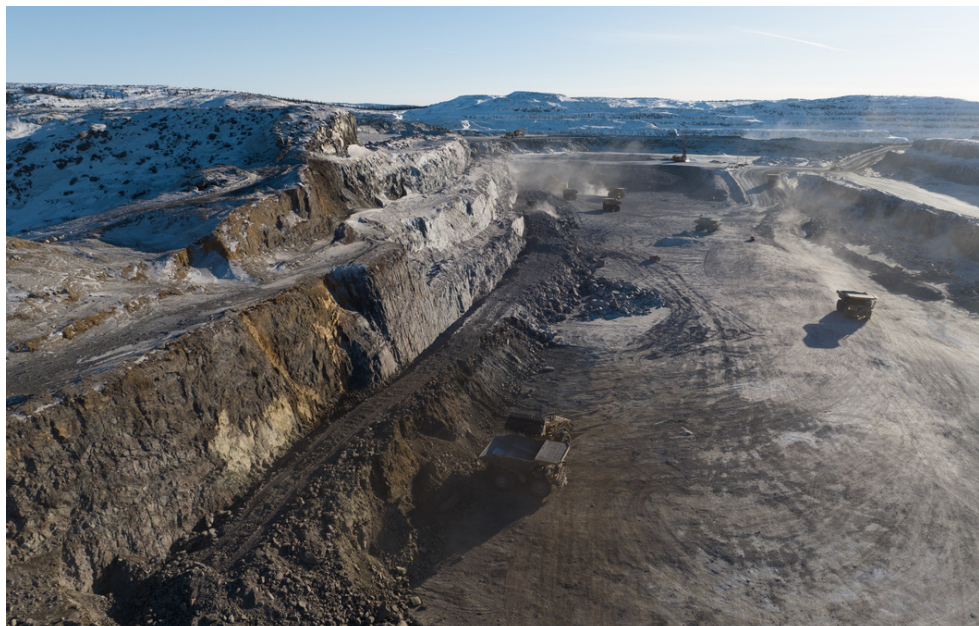
		2020	2021	2022
Recycled or upgraded offsite	Waste oils	217	198	247
	Used oil filters	11	15	17
	Aerosols	1.48	2	2
	Batteries	8	7	5
	Antifreeze	7	8 ⁴³	15
	Contaminated empty containers	2	1	2
	Total recycled or upgraded	246	231⁴⁴	288
Responsible offsite disposal	Oily water	584	338	474
	Rags soiled with hydrocarbons	107	133	156
	Contaminated water	25	4	1
	Contaminated sludge	5	3	23
	Used grease	5	7	19
	Contaminated fuel	5	5	6
	Mercury waste	2	0.3	0.2
	Other	25	13	25
Total disposed offsite	758	503	704	
TOTAL	1,004	734⁴⁵	992	

Energy & Climate Change

In addition to making good business sense, energy consumption efficiency is central in our efforts to lessen our impact on climate change. Understanding, mitigating and adapting to the risks that climate change poses to our operations and where we operate is a core part of being a responsible operator. Champion understands that addressing this challenge is fundamental to respecting our relationships with local communities and our First Nations partners, meeting stakeholders' expectations and contributing to shared resilience.

As a financially material factor, climate change is taken into consideration when we operate as well as during our evaluation of growth opportunities. In particular, climate change scenarios have been considered in the Bloom Lake mine's restart, in its planning and infrastructure development, especially in relation to [Tailings Management](#) and [Water Stewardship](#). We also actively work to improve energy efficiency, reduce our operational GHG emissions and overall carbon footprint. We are committed to ensure we identify and strategically manage our climate-related risks and opportunities and since 2021, we have aligned our business strategy and reporting on climate change with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). This is our second TCFD report, with TCFD details provided at the end of this section and in the Appendix.

We calculate and disclose our Scope 1 and Scope 2 emissions, and are working towards disclosing our Scope 3 emissions in the near to medium term. Accordingly and to improve our disclosure, one of the Company's objectives for the upcoming period is to identify methodology to report our scope 3 emissions. Further GHG emissions details can be found in the [Air Quality](#) section of this report.



Our Performance

In 2022, our operations consumed a total of 2,984 TJ (or 2,984,000 GJ) of energy, an increase of 22% from the previous year, attributable to Bloom Lake's expansion activities. A total of 53% (1,589 TJ) of the energy consumed in 2022 came from renewable hydroelectric power (or grid electricity), while 47% (TJ) came from fuel combustion. Energy consumed per tonne of iron concentrate produced stood at 299 MJ, down from 304 MJ in 2021. Our total energy consumption, divided by types of energy consumed, is listed below.

Our GHG emissions intensity, which stands at 9.8 kg of CO₂ per tonne of iron concentrate produced, declined from 10.6 kg in 2021, and rates very favourably when compared to our peers in other jurisdictions.

An Overview of our Energy Consumption and Emissions:

	2020	2021	2022
Total energy consumed (TJ)	2,029	2,403	2,984
Total GHG emissions (tonne CO ₂ e)	56,087	83,918	97,943
Energy consumed per tonne of iron concentrate produced (MJ) ⁴⁶	254	304	299
Direct GHG emitted per tonne of iron concentrate produced (kg CO ₂ e) ⁴⁷	7.3	10.6	9.8

⁴⁶ This figure is calculated based on the total energy consumption that includes diesel, gas, propane, light oil fuel, and hydroelectricity.

⁴⁷ This figure is calculated based on the total GHG emissions, which include Scope 1 (material transportation, stationary and portable combustion, explosives, generators, and refrigerants), and Scope 2 (hydropower).

Total energy consumption (in TJ):

	2020	2021	2022
Diesel	636	975	1,131
Gas	31	45 ⁴⁸	59
Propane	87.4	102	146
Light Oil Fuel	31.7	51	59
Hydroelectricity	1,243	1,275	1,589
Total	2,029	2,448⁴⁹	2,984

Our GHG emissions calculations are based on the Greenhouse Gas Protocol ("GHG Protocol") Accounting and Reporting standards.⁵⁰ In 2022, a total of 97,281 tonnes of CO₂e (99%) were emitted from Scope 1 direct sources while 662 tonnes of CO₂e originated from Scope 2 indirect hydroelectric sources (1%). Approximately 15% of our emissions fall under Québec regulations and the cap-and-trade system for GHG emissions, while approximately 85% of our emissions are linked to our fuel purchases, which are declared by our suppliers. Our emissions, in absolute terms, are listed below.

GHG emissions (tonnes of CO₂e):

	2020	2021	2022
Material transportation (Scope 1)	47,262	73,185	85,483
Stationary and portable combustion (Scope 1)	3,888	5,815	6,529
Explosives (Scope 1)	2,885	3,371	4,138
Generators (Scope 1)	1,413	1,482	1,103
Refrigerants (Scope 1)	53	65	28
Hydroelectricity (Scope 2)	587	531	662

⁴⁸ This figure was incorrectly reported in the 2021 Sustainability Report as 0 due to a clerical error. The GHG data for 2021 included here has been externally audited to ensure accuracy.

⁴⁹ This figure was incorrectly reported in the 2021 Sustainability Report as 2,403 due to an error in calculating gas consumption.

⁵⁰ More precisely, we follow the Règlement sur la déclaration obligatoire de certaines émissions de contaminants dans l'atmosphère (RDOCÉCA), which regulates emissions reporting in the Province of Québec, and we are aligned with Canada's federal Programme de déclaration des émissions de gaz à effet de serre (PDGES) framework.

Benefiting from access to renewable hydroelectricity, our Company ranks as a global leader in scope 1 and 2 emission intensity per tonne of high-grade iron ore produced.

In 2021, we undertook a detailed GHG Emissions DRI Study to support future business planning, which included Scope 3 downstream emission factor analysis, such as rail and shipping transport, and other factors related to downstream steelmaking. The analysis demonstrated the positive impact of our high purity products on Scope 3 emissions. As noted under Our Operations, in January 2023 Champion completed a feasibility study which evaluated the modifications required to produce an industry leading high-purity 69% Fe direct pellet feed product, which would enable our Company to engage with DR-EAF producers who manufacture steel without the use of coal, significantly reducing emissions when compared to traditional steelmaking.

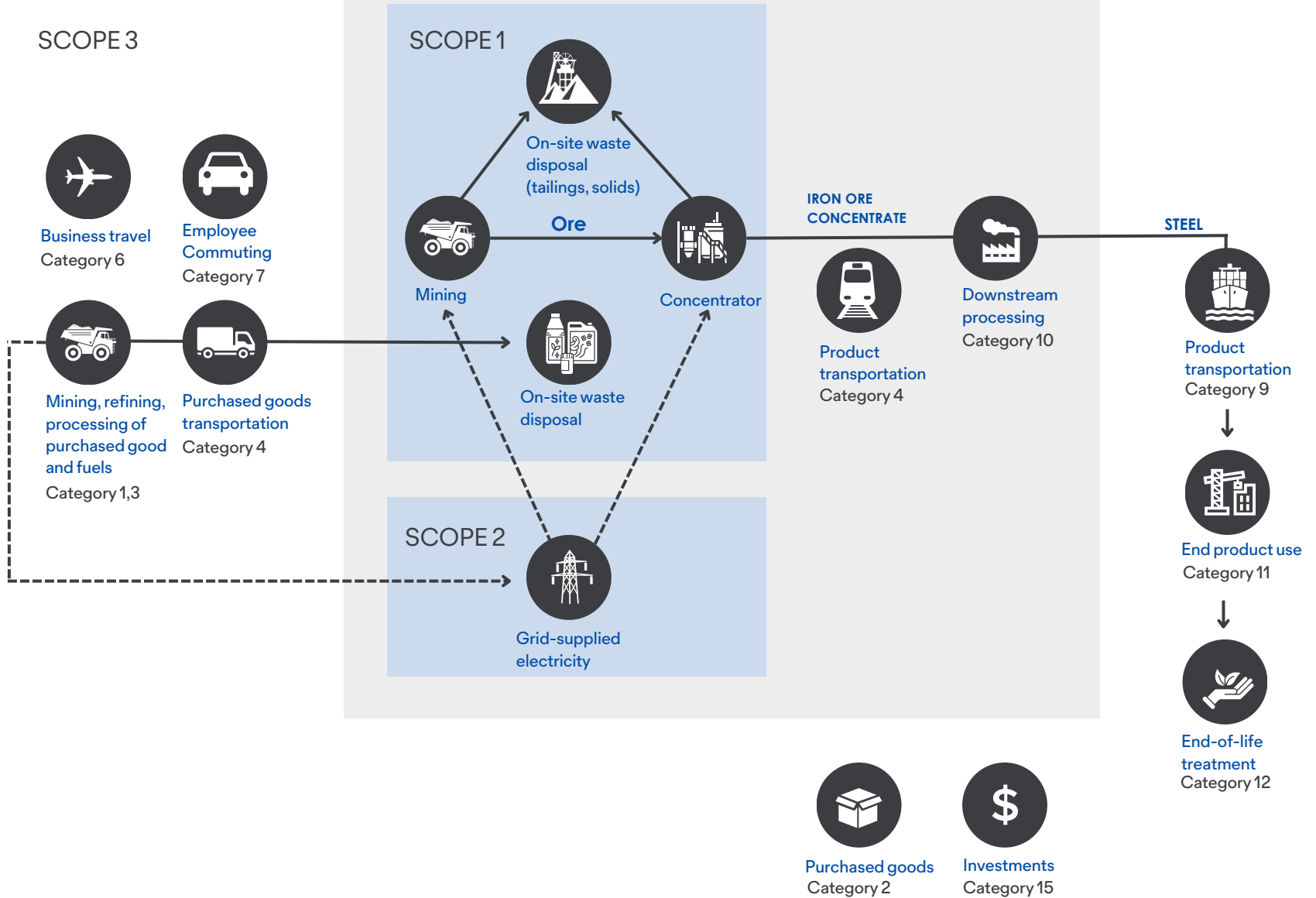
We are continuously undertaking projects to reduce the intensity of our emissions related to ore extraction, processing, and transport. This includes efforts to optimize our hauling practices, through better management with our dispatch system. During this reporting period, we advanced a project initiated in 2021 that employed new technologies to improve the monitoring of ore movement during the blasting process. In 2022, we received a grant to test this technology, which further optimizes our ability to identify post-blast ore location, reducing overall trucking distances, and in turn further reducing emissions. We also began to promote the use of Eco mode on hauling trucks to reduce emissions.

Since the recommissioning of Bloom Lake in 2018, we achieved an average annual emissions reduction of 31% of CO₂e per annum when compared to emissions prior to the mine's closure by the previous owner in 2014. In May 2022, Champion announced a 2050 net-zero goal, reflecting our commitment to continuously improve our emissions performance. Our climate action strategy includes a short-term goal to reduce emissions by 40% by 2030, based on 2014 emission intensity, with additional consideration for the targeted nameplate capacity of 15 Mtpa, and a further goal to achieve net zero emissions by 2050.

Our focus during the reporting period has been to further refine our energy management processes and improve our understanding of our energy usage. Furthermore, we focused on identifying projects and initiating pre-feasibility studies, as we develop a path towards achieving our emission reduction goals.

In line with our GHG reduction goals and our efforts to optimize our GHG management systems, during the reporting period we undertook a gap analysis against the ISO 50001 Energy Management standard. Additionally, we aligned our operations with MAC TSM's Climate Change Protocol, which focuses on mitigation and adaptation strategies to manage climate-related risks, as well as the Crisis Management and Communications Planning Protocol.

Current Champion GHG Calculation Boundary



Task Force on Climate-Related Financial Disclosures (“TCFD”) Framework Alignment

This 2022 sustainability report marks the second year in which our climate related management is assessed against the parameters adopted under the TCFD. It covers our progress and our planned future actions under the four key TCFD topic areas of governance, strategy, risk management, and metrics and targets.



Governance: Our governance around climate-related risk and opportunities

Strategy: The actual and potential impacts of climate-related risk and opportunities on our business, strategy and financial planning

Risk Management: The processes we use to identify, assess and manage climate-related risks

Metrics & Targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

The Board of Directors, supported by the SIA Committee, is the ultimate body responsible for monitoring and acting on climate change-related risks, opportunities, and strategies. The SIA Committee, which reports to the Board of Directors and meets at least quarterly, is accountable for overseeing all of Champion’s sustainability and climate change performance areas, including risk assessment, management performance, corporate strategy approval, metrics and KPI setting, monitoring and approving public disclosure containing climate-related information.

The Chief Operating Officer (“COO”) and the energy management team, supported by external experts, are responsible for the Company’s management, measuring, monitoring and reporting of its GHG emissions, including the setting of reduction goals. The COO and senior management team regularly report to the SIA Committee on material climate change-related topics as part of our formal reporting process, to maintain accountability for climate change performance.

Site superintendents inform the General Manager (“GM”) of any emerging climate-related issues, and any relevant concerns are then communicated to the COO, including how they are being addressed and managed. The Board of Directors is kept informed through scheduled quarterly updates on operations, thus integrating climate-related topics into the normal operations oversight. Additionally, issues deemed significant by the Executive team would be brought directly to the Board’s attention.

Climate-related policies, strategies and information are subject to the same board of directors governance processes as financial information. The SIA Committee, which is formed by non-executive Board members, report their findings and recommendations to the Board of Directors and assist management in establishing climate change policies, and as such, perform a key governance function. Further detail can be found in the [Governance](#) section of this report. As disclosed in Champion’s Management Information Circular for the financial year ended 2023, new KPIs were introduced for executive management remuneration in relation to the Company’s strategy and performance on climate change, in order to align compensation with the Company’s climate-related initiatives.

Strategy

Champion understands that both physical and transition climate-related risks will have an impact on our Company, and these will evolve over time. Accordingly, our strategic plan for climate action is based on credible scenarios and extends across the short, medium and long-term.

While we have not conducted a full scenario analysis in assessing the impact of climate-related physical and transitional risks and opportunities, we have analyzed risks related to our operations and physical infrastructure. A 2019 climate risk study conducted by a world leading engineering services firm included scenario analysis based on the IPCC RCP4.5 and RCP8.5 scenarios, which was taken into consideration during our expansion planning, evaluating both short term (2021-2050) and long term (2051-2080) intervals.⁵¹ It identified several potential physical impacts on our operations that would be related to increased extreme weather and temperatures, and also concluded that many of our primary climate-related risks have already been addressed in the operational design of our facilities.

The most significant short-term physical risks requiring mitigation and adaptation controls relate to forest fires, heat waves and extreme precipitation (resulting in flood events), potentially posing risks to worker’s health and safety. Medium term risks include potential damage to infrastructure from forest fires. Accordingly, in the past two years we have expanded our fire protection team (see [Health and Safety](#)), since forest fires were identified as our most significant ongoing climate-related physical risk.

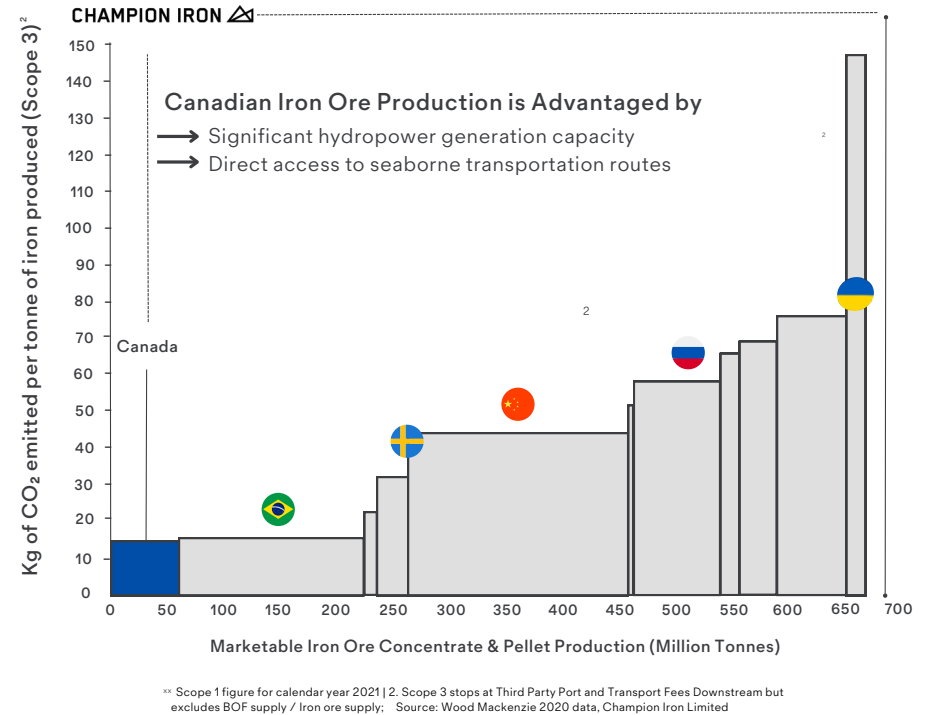
⁵¹ The RCP8.5 scenario corresponds to the status quo, if no climate action is taken (2°C increase by 2065 and 3.7°C by 2100). The RCP4.5 scenario corresponds to moderate mitigation (1.4°C increase by 2065 and 1.8°C by 2100).

The 2019 climate study found that long term risks include potential dike failure from extreme and inconsistent precipitation events that could release tailings into the environment. In addition to the physical impact of tailings being released, the chemical contamination impact has also been evaluated. While the probability of these tailings being acidic is not zero, it is highly unlikely given their composition, as noted under [Tailings Management](#). We regularly carry out chemical tests of our tailings to track any changes in their chemical composition. Recognizing that dike breaches and water discharge events arising from extreme weather are a significant industry risk, we are continually updating our operating procedures to focus on the prevention and mitigation of such risks. Although the climate change impacts to our tailings facilities are predicted to occur after the end of the projected life of the mine, we optimally design our dams, ponds, weirs and spillways for the long term to reduce risks, particularly those related to soil drought and heat waves.

Our Company benefits from access to hydroelectric power to run the majority of our operations, supplied by an ongoing contract with Hydro-Québec. The possible increased variability of precipitation associated with climate change could impact the ability of Hydro-Québec to provide contracted power outputs, in which case we would need to increase reliance on fossil fuels or invest in other forms of renewable power.

Notably, predicted future climate conditions could create opportunities in our context, in particular longer summers could positively influence our energy consumption. This example could provide energy savings based on the reduced need for winter heating and it could also accelerate revegetation during the reclamation phase.

In terms of transition risks, with changes in national or regional low carbon economy legislation predicted and already occurring, we are focusing on reducing GHG emissions and continuing the development of a roadmap to achieve a 40% emissions reduction by 2030. Next year, as part of our new sustainable objectives, we aim to refine and disclose a list of initiatives designed to enable our Company to reach its emission reduction targets. We expect to adapt to any potential future increases in Canada's Nationally Determined Contribution ("NDC"), under the United Nations Intergovernmental Panel on Climate Change ("IPCC"), that may flow through to the private sector. While our Company has committed to a goal of net-zero emissions, **we already rank as a global leader for scope 1 and 2 emission intensity per tonne of high-grade iron ore concentrate produced.**



While Champion continuously seeks to minimize the climate related impact of its operations, the Company's largest potential positive impact resides with the downstream use of its product in steelmaking. Benefiting from one of the highest quality iron ore concentrates globally, Champion's 66.2% Fe iron ore enables steelmakers to significantly reduce energy consumption in steelmaking, and reduce the use of coal. By sourcing Champion's nameplate expanded capacity of 15 Mtpa of 66.2% Fe high grade ore concentrate, end users can reduce emissions in their steelmaking process by nearly 2Mt of CO₂ equivalent per year in the traditional Blast Furnaces and Basic Oxygen Furnaces steelmaking method when compared to sourcing lower quality 58% Fe iron ore. This steelmaking emission reduction is over 20 times larger than the emissions currently produced at the Bloom Lake mine.

By seeking to improve the quality of its product, in order to meet the requirements of the green steel supply chain, Champion is innovating to capitalize on the accelerating shift in the steel industry to reduce emissions. In January 2023, the Company announced the findings of the DRPF Project's Feasibility Study, which evaluated increasing the quality of the Phase II plant production from 66.2% Fe to a 69% Fe direct reduction pellet feed quality iron ore.

PERFORMANCE HIGHLIGHTS

This transition would enable the Company to engage with producers of DRI-EAF, who manufacture steel without coal, thereby reducing emissions in the steelmaking process by the equivalent of nearly five million tonnes of CO₂.

Over time, the Company has the opportunity to convert the entire 15Mtpa nameplate capacity of the Bloom Lake site to a direct reduction pellet feed quality iron ore, potentially reducing emissions in the steelmaking process by as much 9.7Mt of CO₂, which is approximately 100 times more the Bloom Lake mine's current emissions. (For more details, see [Our Operations](#) and [Our Product](#)).

Champion's concentrate reduces emissions in BF/BOF steel making
Proven ability to produce DR grade pellet feed enables Champion to engage with DRI/EAF steel makers ⁵²

	Compared to low grade iron ore	Compared to BF/BOF process
Material	15Mtpa with 66.2%	15Mtpa with DRPF Project 69%
Route	BF/BOF	DRI/EAF
Savings	1.9 Mt of CO ₂ /year	9.7 Mt of Co ₂ /year
Equivalent	420,000 cars/year	2,150,000 cars/year
Comparison	Tesla produces about 1.3M cars/year	Approximately 2M cars are registered by residents of NYC

During 2022 we began to identify the financial impact of climate-related risks, including risks associated with our emissions. Furthermore, emissions are taken into consideration as a factor when investing in growth projects, such as our DRPF project, discussed under Our Plans, which is designed to be carbon neutral. To properly evaluate and manage climate-related risks and opportunities, our energy management team expanded during the period. Going forward, we will continue to consider how we can best prepare for the post-closure phase of our operations, which will likely take place under climatic conditions different from those currently prevailing at the site. Finally, Champion intends to expand its scenario analysis of climate change-related risks and opportunities through our value chain in future reporting periods.

⁵²Phase II expected nameplate capacity of 15Mtpa | 2. Assumes 4,600 Kg of CO₂ eq per vehicle/year (Source: US Environmental Protection Agency and Natural Resources Canada). BF/BOF reduction assumes a ratio of 1.5t of iron ore concentrate per tonne of steel produced and a reduction emission of 9.6% for Champion's 66.4% Fe (as per FY21 results) compared to 58% Fe (Based on Wood Mackenzie estimate of 8% reduction for P65 vs. P58). DRI/EAF steel making route assumes 1.47 tonne of pellet feed concentrate per tonne of steel produced. Sources: Champion Iron Limited, Wood Mackenzie data ; Tesla's 2022 car production; Cars registered by NYC residents as per www.nyc.gov and www.streetsblog.org; Tesla' Inc.'s car production in 2020 as per backlinko.com.



9.8

Kg of CO₂ emitted per tonne of iron concentrate produced (Scope 1 & 2)

53%

Percent of overall energy consumption supplied by renewable hydroelectric generation

29.3%

Reduction in emissions intensity per tonne of iron ore concentrate produced compared to our 2014 reference year under previous ownership

- 2014 (previous owner); 80,564 t CO₂ eq
- 2022 97,943 t CO₂ eq

Risk Management

Champion's risk management framework, discussed under Our Approach to Sustainability, enables us to identify, assess, manage and mitigate environmental and social risks throughout our operations and value chain. Within the Company's governance structure, climate-related risks, such as floods, fires, regulatory changes, and energy security are incorporated into the Company's overall business risk management. Our energy management team, which is supported by external consultants and experts, monitors the Company's climate-related risks. The energy management team reports to the COO, who collaborates with the executive management team and reports to the SIA Committee, which is specifically tasked with overseeing all climate-related risks and reports to the Board of Directors. Risks are prioritized by management according to their probability and materiality for our operations, including the time period in which the risks may occur. The materiality of potential risks is evaluated by the management team as a component of their periodic materiality assessments process. Internal monitoring processes ensure that any relevant risks are identified and brought to the attention of the appropriate managers, with senior management providing oversight of the risk management process.

Metrics and Targets

Champion currently monitors direct (Scope 1) and indirect (Scope 2) emissions. While we do not yet directly estimate our indirect emissions within our value chain (Scope 3), Champion, using third party methodology, does engage in estimating the reduction potential of its iron ore products throughout the steelmaking supply chain. As part of our new sustainable objective, we plan on reviewing and selecting a methodology to calculate our Scope 3 emissions. A range of climate-relevant metrics tracked during the reporting period are disclosed in this section of the report, as well as the [Air Quality, Land Use and Biodiversity](#), and [Water Stewardship](#) sections.⁵³

We monitor both the total energy consumed (including the percentage derived from renewable sources) and the intensity of our consumption. We are continuously updating our overall Energy Analysis, which was initiated in 2019, to improve the level of precision of previous results, following the revision of our simulation file and the use of the most recent reference data. Our GHG reduction targets currently reflect historical trends. As per the TCFD guidelines, Champion will start to use forward-looking metrics and targets in future periods as we better understand our climate change risks and opportunities.

Performance Indicators:

GRI 2-4, 3-3, 201-2, 302-1, 302-3, 305-1, 305-2, 305-4, 305-5
SASB EM-MM-110a.1, EM-MM-110a.2, EM-MM-130a.1

⁵³Data on revegetated land, mining wastewater and any effluent events in this report are reported in absolute terms.

Air Quality

Mining and mineral processing activities such as fuel combustion, blasting, hauling and the handling and storage of materials can cause adverse air quality impacts. More specifically, iron ore concentrate production generates gases including carbon monoxide ("CO"), sulfur dioxide ("SO₂") and nitrogen oxide ("NO_x"), as well as dust particulate matter. As part of our commitment to protect the environment we use a preventive management approach to reduce or control our generation and emission of air pollutants. We regularly monitor our infrastructure and processes, and in conjunction with our efforts on energy, climate change and biodiversity, we explore technological innovation for process improvements.

The primary air emissions associated with our mining activities include total particulate matters ("TPM") which comprise particles of less than 10 microns ["PM₁₀"] and fine dust particles (diameter of less than 2.5 microns ["PM_{2.5}"]), which are generated by sources such as vehicle traffic, unloading of materials, storage of mine tailings, blasting, and crushing. Our emissions include gases generated by the combustion of fuels from mobile or stationary sources, including carbon monoxide (CO), sulfur dioxide (SO₂) and nitrogen oxide (NO_x). Our emissions do not include any ozone-depleting substances or hazardous pollutants ("HAP").

Our Performance

During the reporting period, our emissions did not exceed regulatory limits. With the expansion of our operations, the amount of dust we produce has increased. We remain committed to mitigating the impact of our dust emissions, and during the reporting period, we added new dust collectors and pursued infrastructural improvements to reduce dust emissions. Revegetation as part of our effort to continuously restore and revegetate areas affected by our operations, described further in the [Land Use and Biodiversity](#) section of this report, has helped mitigate dust formation. In the current period, we plan to implement and test new dust suppression methods, during the drier periods of the year, when dust is more prevalent. Additionally, we will be adding two monitoring stations to better track our emissions.

During the reporting period, we continued to fine-tune a new blasting emulsion recipe we began to develop in 2021, which has successfully reduced NO_x produced from rock blasting fumes.

Type of Air Emission	Year		
	2020	2021	2022
Nitrogen oxide (NOx) emissions per tonne of iron concentrate produced (kg)	0.0101	0.0295	0.0126
PM2.5 fine particle emissions per tonne of iron concentrate produced (kg)	0.0112	0.0336	0.0338

Type of Air Emission (in Tonnes)	Year		
	2020	2021	2022
Carbon Monoxide (CO)	51.7	233	278
Nitrogen Oxide (NOx)	76.5	145	142
Sulphur Dioxide (SO2)	6.3	9.6	9.2
Lead (Pb)	.006	.015	.005
Mercury (Hg)	.00002	.00006	.00019
Volatile organic compounds	5.4	7.8	6.7
Particles < 10 microns (PM10)	556	1,891	2,766
Particles < 2.5 microns (PM2.5)	85.5	265	378

Performance Indicators:

GRI 3-3, 305-6, 305-7, 413-2
SASB EM-MM-120a.1

Land Use and Biodiversity

Biodiversity loss and adverse ecosystem impacts constitute a risk to all people and the broader environment we live and operate in. Accordingly, we believe that protecting, conserving and restoring natural systems is crucial. The Bloom Lake mine is located in the Canadian boreal forest, home to many species of plants and animals, as well as natural resources upon which First Nations and local communities depend. Our management approach to biodiversity is rooted in the precautionary principle, leading us to always err on the side of protective action where there is any uncertainty about the impact of our activities on local ecosystems. We are committed to acting sustainably and responsibly, preserving biodiversity and the surrounding ecosystems for future generations.

Champion's biodiversity strategy is built on understanding our dependencies and impacts on natural systems, as well as the important species that live within them. This requires us to understand the special value that our First Nations partners and local communities place on various ecosystem resources and services in the region. This knowledge guides our actions and prevention of negative impacts is prioritized. If impacts cannot be avoided, we reduce them as much as possible and implement measures to mitigate the impacts through technological innovation, targeted technical adjustments, or appropriate nature-based solutions. Moreover, if negative impacts persist and our operations cause biodiversity loss, we introduce measures to compensate for that loss. Our objective in such circumstances is to offset any proven loss with an ecological gain that must be equivalent to or greater than the loss. Throughout our biodiversity compensation and conservation planning process, we strive to include partners, community members and other stakeholders who have an interest in the long-term maintenance of biodiversity in the region and respond to any of their concerns.

Our Performance

A biodiversity portrait of the Bloom Lake mine area, produced in 2020, illustrated that vegetation is the main group contributing to local biodiversity, representing 40% of the total number of species, followed by invertebrates at 33% and birds at 20%. There are no areas officially designated as protected areas, nor as areas of high biodiversity, in or adjacent to our operations. Specifically, none of the lakes around the Bloom Lake mine, including the Mazaré Lake into which we return treated water, are designated as protected areas either locally, provincially, nationally, or internationally. However, there are five biodiversity reserves within 50 km of the mine site that are designated protected areas including: the Paakumshumwaau-Maatuskaau biodiversity reserve, the Gensart Lake biodiversity reserve, the Moisie River aquatic reserve, the Lac Ménistouc biodiversity reserve and the Bright Sand Lake biodiversity reserve. In terms of species at risk, vegetation and birds are the two groups with the highest proportionate representation in the Bloom Lake Mine area at 43% each.

Our 2019 Environmental Impact Assessment, which considered both the International Union for Conservation of Nature (“IUCN”) Red List of Threatened Species and Canada’s national conservation list, determined that three species with listed status are potentially impacted by our operations. This includes one avian fauna species (Rusty Blackbird or quiscale rouilleaux) classified as Vulnerable, one mammalian species (rock vole, roch vole or campagnol des rochers) classified as being of Least Concern, and one partially identified bat species (myotis). Caribou, although not listed and not found on our mine site, is important for First Nations communities in the region in which we operate, and can be seen in the area from time to time. All of these species are primarily impacted by our operations through loss of habitat, which we seek to limit by avoiding deforestation where possible and engaging in progressive site restoration to revive habitats as soon as possible.

Biodiversity ⁵⁴ portrait of the Bloom Lake mine area	
Number of families	204
Number of species	880
Number of species at risk	33

During the reporting period, we continued to implement our existing Biodiversity Protection and Monitoring Action Plan, which encompasses the Bloom Lake Mine site area, and covers the period 2021-2024. We are working with regional organizations, our First Nations partners, and various levels of government to implement this action plan, which aims to reduce threats to biodiversity and increase ecosystem resilience. The plan includes activities such as creating nesting habitats for bank swallows, bat conservation, and monitoring aquatic communities downstream from the mine site.

Over the course of 2022, we continued to develop our fish habitat compensation plan. The Bloom Lake site encroaches on several fish bearing water bodies, and our operations can have an impact on local biodiversity. Though the plans are required by regulations, our efforts aim to meet or exceed legal obligations. During the reporting period, our primary focus has been on developing a fish habitat offset program linked to our expanded tailings and rock storage capacity at the site. The program, which was developed in collaboration with our First Nations partners, aims to restore degraded fish habitats and improve access to spawning grounds. Details of the project are presented in the spotlight story that is found at the end of this section.

With the goal of minimizing our ecological footprint and protecting local vegetation, we continuously restore and revegetate areas affected by our operations during the mining life cycle. During the reporting period, we revegetated 15 hectares, and hydroseeded and fertilized another 15 hectares that were previously revegetated.

⁵³This includes vegetation, invertebrates, birds, mammals, herpetofauna and fish.

Areas Revegetated, Disturbed and Restored Areas (in Hectares)			
	2020	2021	2022
Revegetated Area	20	17	15
Area Previously Used and Unrestored	1,247	1,297	1,369
New Area Used	70	89	108
New Restored Area	20	17	15
Area Used and Not Restored at the End of the Year	1,297	1,369	1,462

During the reporting period, we continued with two core projects developed with our Innu Takuaikan Uashat Mak Mani-Utenam partners. Research progressed as part of one project focused on better understanding the Atlantic salmon habitat and populations in the Moisie River, with the ultimate objective to improve the management of salmon populations. The second project, a collaboration with the Québec government, focuses on mitigating the negative impact of human economic activity, including forestry and mining, on the habitat of the woodland caribou. Forest access roads disturb caribou habitat, and attract moose and the woodland caribou’s natural predator, the gray wolf. The project’s objectives are to decrease human disturbances, including reducing territorial access to sensitive sectors of caribou habitat through potential road closures, and using reforestation tools to improve conditions for the caribou.

In the current period, we will focus on our revegetation efforts, and on implementing our various biodiversity projects, including those included in our Compensation Plan.

Performance Indicators:

GRI 3-3, 304-1, 304-2, 304-3, 304-4, 413-2, MM01, MM02
SASB EM-MM-160a.1, EM-MM-160a.2, EM-MM-160a.3

PERFORMANCE SPOTLIGHT

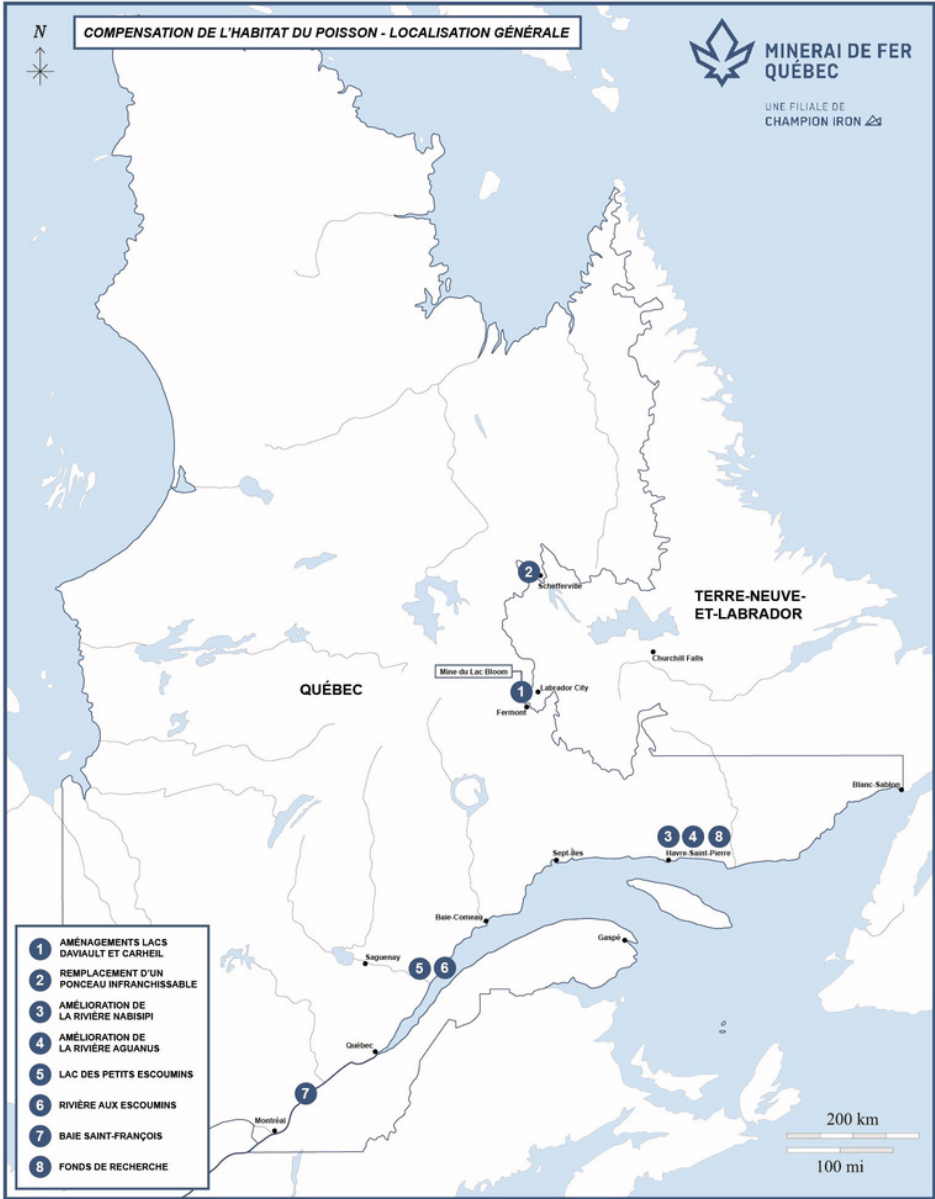


Over the course of 2022, we continued developing a Compensation Plan that seeks to offset our operation’s impacts on fish habitat, including the expansion of our tailings facilities to accommodate the increased production from our Phase II expansion. As part of the fish habitat compensation development process, we evaluated 133 potential compensation sites throughout Québec, and identified 49 possible sites. We then proceeded to identify projects that would enhance or restore fish habitat nearer to our mining operations, and settled on eight projects.

Our First Nations partners were involved throughout the development of these compensation projects and we collaborated with nearly thirty regional stakeholders. The Compensation Plan was presented at two public consultation sessions in February 2023. The consultations process generated both positive feedbacks and concerns that we will address in our project execution. The eight projects primarily seek to restore degraded habitats and promote habitat development and remove obstacles to the crossing and movement of fish.

Two of the compensation projects are local, five are regional, and one is provincial. Two projects have been developed in partnership with the Council of the Innu Nation of Nutashkuan, and are being carried out by the Council. The projects aim to construct fishways on the Nabisipi and Aguanus Rivers to improve habitat quality for North Shore Atlantic Salmon. Another project located in the Schefferville region has been developed with the community of Matimekush-Lac John to restore several culverts that are blocking fish migration.

One of our largest projects seeks to restore access to an important Yellow perch breeding area within a bay on the south shores of Lake St-Pierre. The project will include the construction of fish channels within the bay area and in locations where vegetation and sediments limit fish movement, in order to connect the bay to the St. Francis River. This is projected to directly improve accessibility to approximately 99 hectares of fish habitat, including ideal spawning grounds.



GRI content index

Statement of use	Champion Iron has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	G4 Mining and Metals Sector Disclosures

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION	
				REASON	EXPLANATION
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	About this Report p.3 About Champion p.6-8	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	About this Report p.3			
	2-3 Reporting period, frequency and contact point	About this Report p.3			
	2-4 Restatements of information	Environment: Waste and Hazardous Materials Management p. 52-53 Environment: Energy & Climate Change p. 55			
	2-5 External assurance	About this Report p. 3			

2-6 Activities, value chain and other business relationships	Our Operations p.7 Our Product p.8 Our Value Chain p.8-9	All data required under 2-8.	Information unavailable/incomplete	At present, we do not collect this information.
2-7 Employees	Our People p.32			
2-8 Workers who are not employees				
2-9 Governance structure and composition	Governance p.19-21 2022 Management Information Circular p.46-58			
2-10 Nomination and selection of the highest governance body	Governance p.18			
2-11 Chair of the highest governance body	Governance p.18			
2-12 Role of the highest governance body in overseeing the management of impacts	Governance p.19-21			
2-13 Delegation of responsibility for managing impacts	Governance p.19-21			
2-14 Role of the highest governance body in sustainability reporting	Governance p.19			
2-15 Conflicts of interest	Governance p.18 - Governance Policies p.8			

2-16 Communication of critical concerns		i. Number and nature of critical concerns brought to the highest governance body.	Information unavailable/incomplete	At present, we do not collect this information.
2-17 Collective knowledge of the highest governance body	Governance p.19			
2-18 Evaluation of the performance of the highest governance body	Governance p.18	i. Details on what is included in the evaluation of performance of the highest governance body.	Information unavailable/incomplete	At present, we are not able to report this information.
2-19 Remuneration policies	Governance p.18-19 -2022 Management Information Circular p.11-45			
2-20 Process to determine remuneration	Governance p.18-19 -2022 Management Information Circular p.11-45			
2-21 Annual total compensation ratio		All data required under 2-21.		At present, we are not able to report this information. We will likely report on this next year.
2-22 Statement on sustainable development strategy	Message of the CEO p.5			
2-23 Policy commitments	Our Approach to Sustainability p.10 Governance Structure p.17 Human Rights pp.24 - Human Rights - Environmental Policy - Responsible Procurement - Occupational Health and Safety - Prevention of Harassment and Discrimination at Work - Donation and Sponsorship			

2-24 Embedding policy commitments	Our Approach to Sustainability p.10 - Human Rights - Responsible Procurement
2-25 Processes to remediate negative impacts	Sustainability Management p.12 Whistleblowing and Feedback Mechanisms p.23 Human Rights, Modern Slavery and Child Labour p.24 Our People - Labour Relations p.33 First Nations, Engagement, and Protection of Cultural Heritage p.40
2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing and Feedback Mechanisms p.23 Our People - Labour Relations p.33-34 First Nations, Engagement, and Protection of Cultural Heritage p.40-41
2-27 Compliance with laws and regulations	Business Conduct and Ethics p.21 - Governance Policies
2-28 Membership associations	Sustainability Guidance p.11 Engaging with Stakeholders and First Nations p.13
2-29 Approach to stakeholder engagement	Engaging with Stakeholders and First Nations p.13
2-30 Collective bargaining agreements	Human Rights, Modern Slavery and Child Labour p.24

Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment p.14	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Materiality Assessment p.14				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Conduct and Ethics p.21-22				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Taxes Paid p.22 2022 Performance Highlights p.15 Our Economic Contribution p.8 - 2022 Annual Report, p. 29 & p. 44				
	201-2 Financial implications and other risks and opportunities due to climate change	TCFD Framework Alignment p. 57 - 59				
	201-3 Defined benefit plan obligations and other retirement plans	Remuneration Policies p.19				
	201-4 Financial assistance received from government		i. All requirements listed under 201-4.	Information unavailable/incomplete	At present, we do not collect this information.	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Labour Relations p.33 Communities p.38-39				

GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Labour Relations p.33 First Nations and Local Employment and Procurement p.42-43			
	202-2 Proportion of senior management hired from the local community	First Nations and Local Employment and Procurement p.42-43	i. Proportion of senior management hired from the local community.	Information unavailable/incomplete	At present, we do not collect this information.
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	Communities p.38-39			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Communities - Our Performance p.39-40 2022 Performance Highlights p.15			
	203-2 Significant indirect economic impacts	Communities - Our Performance p.39-40			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Communities p.38-39			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	First Nations and Local Employment and Procurement p.42-43 2022 Performance Highlights p.15			

Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance p.17 - Governance Policies p.9			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Conduct and Ethics p.21-22			
	205-2 Communication and training about anti-corruption policies and procedures	Business Conduct and Ethics p.21-22			
	205-3 Confirmed incidents of corruption and actions taken	Business Conduct and Ethics p.21-22			
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance p.17			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Conduct and Ethics p.22			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Conduct and Ethics p.22			
GRI 207: Tax 2019	207-1 Approach to tax	Business Conduct and Ethics p.22	i. Items related to tax strategy, governance, and link to sustainable development.	Information unavailable/incomplete	At present, we do not collect this information.
	207-2 Tax governance, control, and risk management		i. All items listed under 201-2.	Information unavailable/incomplete	At present, we do not collect this information.

	207-3 Stakeholder engagement and management of concerns related to tax		i. All items listed under 201-3.	Information unavailable/incomplete	At present, we do not collect this information.
	207-4 Country-by-country reporting	2022 Annual Report, p. 44.	ii. All items listed under 207-4 b.	Information unavailable/incomplete	At present, we do not collect this information.
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Consumption and Production p.25			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Responsible Consumption and Production p.25 2022 Performance Highlights p.15	i. Calculation of materials consumed does not include several inputs.	Information unavailable/incomplete	At present, we do not collect some of this information.
	301-2 Recycled input materials used	Responsible Consumption and Production p.25 2022 Performance Highlights p.15			
	301-3 Reclaimed products and their packaging materials		i. All items listed under 301-3.	Not applicable	This is not applicable to our operations.
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy & Climate Change p.54			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment: Our Performance p.54-55 2022 Performance Highlights p.15			

	302-2 Energy consumption outside of the organization			Information unavailable/incomplete	At present, we do not collect this information.
	302-3 Energy intensity	Environment: Our Performance p.54-55			
	302-4 Reduction of energy consumption		i. All requirements under 302-4.	Information unavailable/incomplete	At present, we do not collect this information.
	302-5 Reductions in energy requirements of products and services		i. All requirements under 302-5.	Information unavailable/incomplete	At present, we do not collect this information.
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment: Water Stewardship p.45			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Stewardship p.46-47			
	303-2 Management of water discharge-related impacts	Water Stewardship p.46-47			
	303-3 Water withdrawal	Water Stewardship p.46-47			
	303-4 Water discharge	Water Stewardship p.46-47			
	303-5 Water consumption	Water Stewardship p.46-47			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Land Use and Biodiversity p.61			

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Land Use and Biodiversity p.61-62			
	304-2 Significant impacts of activities, products and services on biodiversity	Land Use and Biodiversity p.61-62			
	304-3 Habitats protected or restored	Land Use and Biodiversity p.62 2022 Performance Highlights p.15			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Land Use and Biodiversity p.62			
GRI G4: Mining and Metals	MM01 Amount of land disturbed or rehabilitated	Land Use and Biodiversity p.62			
GRI G4: Mining and Metals	MM02 Sites identified as requiring biodiversity management plans according to stated criteria, and sites with plans in place	Land Use and Biodiversity p.62			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environment: Energy and Climate Change p.54			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment: Energy and Climate Change p.54-56			
	305-2 Energy indirect (Scope 2) GHG emissions	Environment: Energy and Climate Change p.54-56			

	305-3 Other indirect (Scope 3) GHG emissions		i. All requirements under 305-3.	Information unavailable/incomplete	At present, we do not collect this information.
	305-4 GHG emissions intensity	GHG Emissions p.55-56			
	305-5 Reduction of GHG emissions	GHG Emissions p.55-56	i. Total reductions of CO2 in metric tons equivalent (we provide an average). ii. Standards, methodologies or calculation tools used.	Information unavailable/incomplete	We provide an average reduced compared to the base year.
	305-6 Emissions of ozone-depleting substances (ODS)	Air Quality p.60-61			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality p.61			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Stewardship: Waste Management p.51			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Stewardship: Waste Management p.51-53			
	306-2 Management of significant waste-related impacts	Environmental Stewardship: Waste Management p.51-53	i. We do not provide detailed information regarding oversight of whether our waste disposal contractor meets environmental criteria.	Information unavailable/incomplete	At present, we do not collect this information.
	306-3 Waste generated	Environmental Stewardship: Waste Management p.51-53			

GRI G4: Mining and Metals	306-4 Waste diverted from disposal	Environmental Stewardship: Waste Management p.52			
	306-5 Waste directed to disposal	Environmental Stewardship: Waste Management p.52	i. We do not provide a breakdown of how waste is treated once it is off-site for disposal.	Information unavailable/incomplete	At present, we do not collect this information.
	MM03 Total amounts of overburden, rock, tailings and sludge, and their associated risks	Environmental Stewardship: Tailings Management p.48-50			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Chain Management p.25			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Governance: Value Chain Management p.25	i. We do not provide a percentage of new contractors screened with environmental criteria.	Information unavailable/incomplete	At present, we do not collect this information.
	308-2 Negative environmental impacts in the supply chain and actions taken	Governance: Value Chain Management p.25			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Labour Relations p.33			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People p.32-33	i. We do not provide information on new hires by region.	Information unavailable/incomplete	At present, we do not collect this information.

	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People p.33			
	401-3 Parental leave	Our People p.35	i. We do not provide information on the number of employees still employed 12 months after returning from parental leave. ii. We do not provide information on retention rates.	Information unavailable/incomplete	We began collecting parental leave data during the reporting period. Therefore, 12 months has not yet passed, which is necessary to provide this data.
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People p.33			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Our People p.35			
GRI G4: Mining and Metals	MM04 Strikes and Lockouts	Our People p.33			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Health and Safety p.27 - Occupational Health and Safety Policy			

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety p.28-29			
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety p.29			
	403-3 Occupational health services	Health and Safety p.30			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety p.29-31			
	403-5 Worker training on occupational health and safety	Health and Safety p.31			
	403-6 Promotion of worker health	Health and Safety p.31			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety p.29-31			
	403-8 Workers covered by an occupational health and safety management system	Health and Safety p.29	i. Number and percentage of contract workers who are covered by our OHS system.	Information unavailable/incomplete	We do not have an accurate assessment on the number of contractors who have been employed at our site during the reporting year.

	403-9 Work-related injuries	Health and Safety p.30 2022 Performance Highlights p.15			
	403-10 Work-related ill health	Health and Safety p.30			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People p.32			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our People p.34	i. Average training by gender.	Information unavailable/incomplete	At present, we do not collect this information.
	404-2 Programs for upgrading employee skills and transition assistance programs	Our People p.34			
	404-3 Percentage of employees receiving regular performance and career development reviews	Our People p.34			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People p.32			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Our People p.36			
	405-2 Ratio of basic salary and remuneration of women to men	Our People p.36			

Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights, Modern Slavery and Child Labour p.24 - Prevention of Harassment and Discrimination at Work
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights, Modern Slavery and Child Labour p.24
Freedom of association and collective bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	Our People p.32
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our People p.33
Child labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights, Modern Slavery and Child Labour p.29 -Modern Slavery Statement
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights, Modern Slavery and Child Labour p.29

Forced or compulsory labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights, Modern Slavery and Child Labour p.24 -Modern Slavery Statement
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, Modern Slavery and Child Labour p.24
Security practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights, Modern Slavery and Child Labour p.24 -Human Rights
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Rights, Modern Slavery and Child Labour p.24
Rights of indigenous peoples		
GRI 3: Material Topics 2021	3-3 Management of material topics	Communities and First Nations p.38-39
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Rights of First Nations, Engagement, and Protection of Cultural Heritage p.40
GRI G4: Mining and Metals	MM05 Operations taking place in or near Indigenous territory	Communities and First Nations p.39

GRI G4: Mining and Metals	MM08 Number of company operating sites where artisanal and small-scale mining takes place on or adjacent to the site, the associated risks, and the actions taken to manage and mitigate the risks	Communities and First Nations p.39			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Communities and First Nations p.38-39			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Communities and First Nations p.41			
	413-2 Operations with significant actual and potential negative impacts on local communities	Communities and First Nations p.41 Closure p.26			
GRI G4: Mining and Metals	MM06 Disputes relating to land use, customary rights or local communities and indigenous peoples	Communities and First Nations p.40			
GRI G4: Mining and Metals	MM07 Use of grievances mechanisms & outcomes	Communities and First Nations p.40			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Chain Management p.25			

GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Governance: Value Chain Management p.25	i. Percentage of suppliers screened according to social criteria.	Information unavailable/incomplete	At present, we do not collect this information.
	414-2 Negative social impacts in the supply chain and actions taken	Governance: Value Chain Management p.25			
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Conduct and Ethics p.21-22			
GRI 415: Public Policy 2016	415-1 Political contributions	Business Conduct and Ethics p.22			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			Not applicable	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			Not applicable	
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics			Not applicable	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling			Not applicable	

	417-2 Incidents of non-compliance concerning product and service information and labeling		Not applicable
	417-3 Incidents of non-compliance concerning marketing communications		Not applicable
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Cybersecurity p.26	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity p.26	
Other Mining and Metals Sector Disclosures			
GRI G4: Mining and Metals	MM09 Sites where resettlement took place, the number of households resettled in each, and how their livelihoods were affected in the process.	Communities and First Nations p.39-40	
GRI G4: Mining and Metals	MM10 Number and percentage of operations with a closure plan	Governance: Closure p. 26	

Sustainability Accounting Standards Board (SASB) Content Index

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

SASB Metals & Mining Standard Code	Accounting Metric	Unit of Measure	Reference	Commentary
GREENHOUSE GAS EMISSIONS				
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations.	Metric tons CO-e	(a) 97,943 tonnes of CO ₂ e (b) 15% are covered by Quebec's cap and trade system	
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	Energy and Climate Change: TCFD Framework Alignment - Strategy p.57-58	
AIR QUALITY				
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NO _x (excluding N ₂ O), (3) SO _x , (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	Metric tons (t)	(1) CO - 278 t (2) NO _x - 142 t (3) SO _x - 9.2 t (4) PM ₁₀ - 2,766 t (5) Hg - 0.00019 t (6) Pb - 0.005 t (7) VOCs - 6.7 t	Air Quality - Performance p.60-61
ENERGY MANAGEMENT				
EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid, (3) percentage renewable	1) Gigajoules; 2) Percentage	(1) 2,984 TJ (2) 47% of fuel combustion (3) 53% of renewable hydroelectric power	Energy & Climate: Performance p.54
WATER MANAGEMENT				
EM-MM-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	1) Thousand cubic metres; 2) Percentage	(1) 3,356 thousand cubic metres, 0% from regions with High or Extremely High Baseline Water Stress (2) 100%, 0% from regions with High or Extremely High Baseline Water Stress	All fresh water withdrawn is consumed. Fresh water is only one part of our total water consumed, which stood at 14,766 thousand cubic metres.

EM-MM-140a.2	Number of incidents of non-compliance associated with permits, standards, and regulations	Number.	0	No incidents of non-compliance associated with water quality permits, standards, and regulations, were recorded during the reporting period.
WASTE AND HAZARDOUS MATERIALS MANAGEMENT				
EM-MM-150a.4	Total weight of non-mineral waste generated	Metric tons (t)	Total non-mineral waste generated per tonne of iron concentrate produced: 0.69 kg per tonne	
EM-MM-150a.5	Total weight of tailings produced	Metric tons (t)	Total mine tailings produced: 17.3 million tons	
EM-MM-150a.6	Total weight of sterile rock generated	Metric tons (t)	Total sterile rock excavated: 19.6 million tonnes	
EM-MM-150a.7	Total weight of hazardous waste generated	Metric tons (t)	0.09 kg per tonne of iron concentrate produced	
EM-MM-150a.8	Total weight of hazardous waste recycled	Metric tons (t)	288 tons	
EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	Number	0	There were no issues of legal or regulatory non-compliance in 2022 related to our waste management activities.
EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	N/A	Environmental Stewardship: Waste Management p.51	
BIODIVERSITY IMPACTS				
EM-MM-160a.1	Description of environmental management policies and practices for active sites	N/A	Land Use and Biodiversity p.61	
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Percentage	0%	Water Stewardship p.46: Operations do not cause acid rock drainage that can negatively affect nearby waterways or ecosystems.

EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage	(1) Proven 100% (2) Probable 100%	Five reserves within 50 km of the mine site are designated protected areas including: the Paakumshumwaau-Maatuskaau biodiversity reserve, the Gensart Lake biodiversity reserve, the Moisie River aquatic reserve, the Lac Ménistouc biodiversity reserve and the Bright Sand Lake biodiversity reserve. In terms of species at risk, vegetation and birds are the two groups with the highest proportionate representation in the Bloom Lake Mine area at 43% each.
SECURITY, HUMAN RIGHTS & RIGHTS OF INDIGENOUS PEOPLES				
EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage	(1) Proven: 0% (2) Probable: 0%	Communities and First Nations p.39 No proven or probable reserves are located in areas of active conflict.
EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	Percentage	(1) Proven: 100% (2) Probable: 100%	Communities and First Nations p.39
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	N/A	Communities and First Nations p.38-39 Human Rights, Modern Slavery and Child Labour p.24 Our Approach to Sustainability p.13	
COMMUNITY RELATIONS				
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	N/A	Communities and First Nations p.38-39	
EM-MM-210b.2	Number and duration (# of days) of non-technical production delays	Number	0	No technical delays or stoppages arising from community unrest during the reporting period.

LABOUR RELATIONS				
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees.	Percentage	62.60%	Our People p.33
EM-MM-310a.2	Number and duration of strikes and lockouts	Number, Days	0	No labour-related work stoppages, strikes or lockouts during the reporting period.
WORKFORCE HEALTH & SAFETY				
EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Rate	(1) Total Recordable Injury Frequency Rate – 2.99 (2) Fatality Rate - 0 (3) Near Miss Frequency Rate - 7.86 (4) (a) Emergency-response training is broken out by type of training. Please see the data table in the listed references. (b) We do not provide average hours of training for contract employees.	Health and Safety p.30
BUSINESS ETHICS & TRANSPARENCY				
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	N/A		Business Conduct and Ethics p.21
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Metric tons (t) saleable	0	Champion has no production in countries that have the 20 lowest rankings in the Transparency International Corruption Perception Index. Operations are exclusively conducted in Canada.
TAILINGS STORAGE FACILITIES MANAGEMENT				
EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status,	Various	The tailings storage facility inventory table can be found in Tailings Management p.49	

- (4) operational status,
- (5) construction method,
- (6) maximum permitted storage capacity,
- (7) current amount of tailings stored,
- (8) consequence classification,
- (9) date of most recent independent technical review,
- (10) material findings,
- (11) mitigation measures,
- (12) site-specific EPRP

EM-MM-540a.2

Summary of tailings management systems and governance structure used to monitor and maintain stability of tailings storage facilities

N/A

[Tailings Management p.48-50](#)

EM-MM-540a.3

Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities

N/A

[Tailings Management p.48-50](#)

COMMUNITY RELATIONS

EM-MM-000.A

Production of (1) metal ores and (2) finished metal products

Metric tons (t) saleable

(1) 11,186,600 wet metric tons of iron ore concentrate produced
(2) 10,594,400 dry metric tons of iron concentrate sold

EM-MM-000.B

Total number of employees, percentage of contractors

Number, Percentage

Our total number of full-time employees is 983. Of that, 6 workers (0.6%) are on non-permanent contracts.

Task Force on Climate-Related Financial Disclosures Index

Disclosure	CIA Response
Governance (TCFD-G)	
	Notes
a) Describe the Board’s oversight of climate-related risks and opportunities.	Energy and Climate Change: TCFD Framework Alignment - Governance p.57 2022 Annual Report p.193
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Energy and Climate Change: TCFD Framework Alignment - Governance p.57
Strategy (TCFD-S)	
	Notes
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Energy and Climate Change: TCFD Framework Alignment - Strategy p.57-59
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	Energy and Climate Change: TCFD Framework Alignment - Strategy p.57-59
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Energy and Climate Change: TCFD Framework Alignment - Strategy p.57-59
Risk Management (TCFD-R)	
	Notes
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	Energy and Climate Change p.54 TCFD Framework Alignment - Risk Management p.60
b) Describe the organisation’s processes for managing climate-related risks.	Energy and Climate Change p.54 TCFD Framework Alignment - Risk Management p.60
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	Energy and Climate Change p.54 TCFD Framework Alignment - Risk Management p.60
Metrics and Targets (TCFD-M)	
	Notes
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Energy and Climate Change: TCFD Framework Alignment - Metrics p.60 Air Quality p.60-61 Land Use and Biodiversity p.61-62 Water Stewardship p.46

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

[Energy and Climate Change - Our Performance p.54-55](#)
[TCFD Framework Alignment - Metrics p.60](#)

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

[Energy and Climate Change: TCFD Framework Alignment - Metrics p.60](#)
[Air Quality p.60-61](#)
[Land Use and Biodiversity p.61-62](#)
[Water Stewardship p.46](#)

FORWARD LOOKING STATEMENT

This Sustainability Report (the "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. All statements in this Report, other than statements of historical facts, that address targets, objectives or future events, developments or performance that Champion expects to occur 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 and resources described exist in the quantities predicted or estimated and that the reserves can be profitably mined in the future. Actual reserves and resources may be greater or less than the estimates.

Risks

Although Champion believes the expectations expressed or implied 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's operations; as well as those factors discussed in the section entitled "Risk Factors" of the Company's 2023 Annual Information Form and the risks and uncertainties discussed in the Company's management's discussion and analysis for the financial year ended March 31, 2023, 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 Report are based on assumptions management believes to be reasonable and speak only as of the date of this 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 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.

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