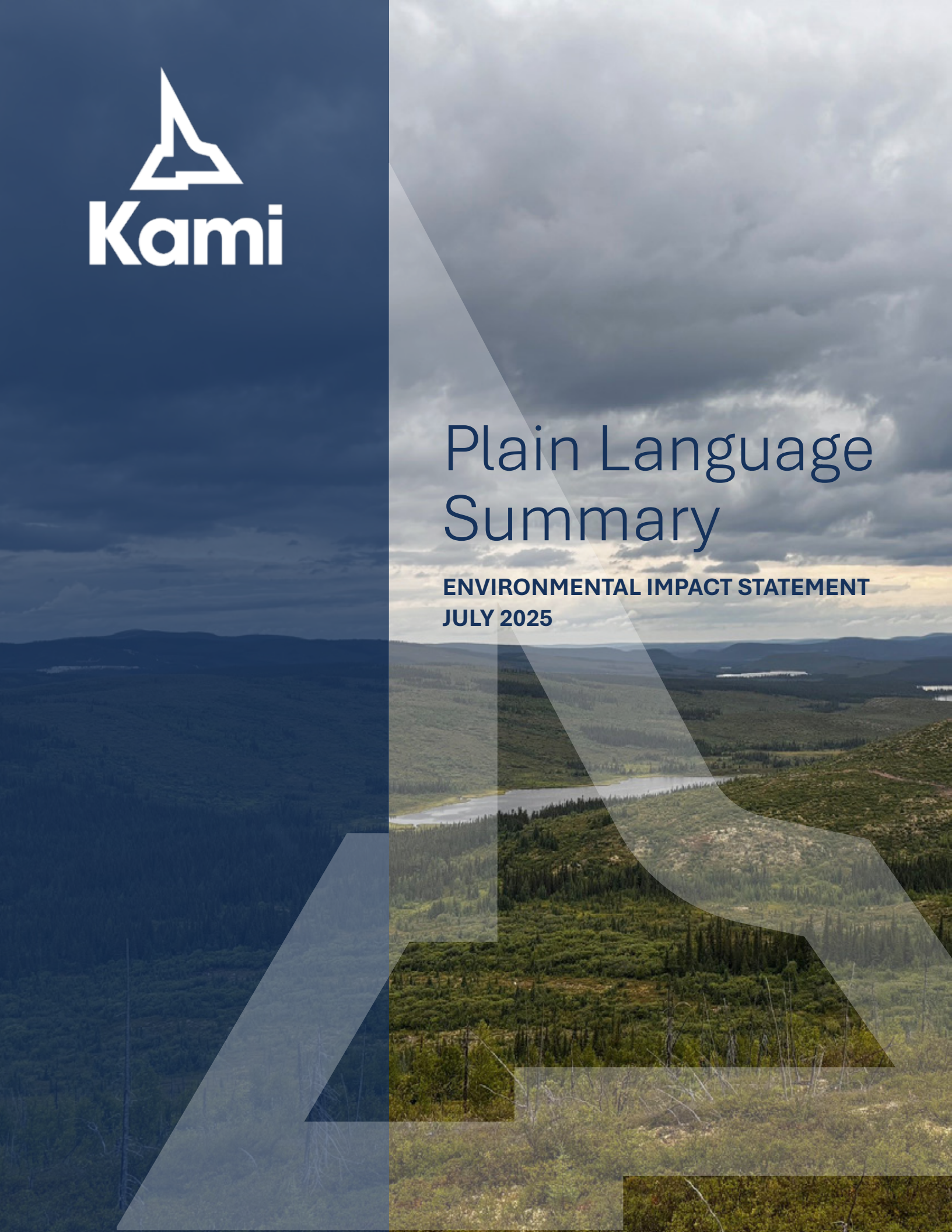
Kami

Plain Language Summary

ENVIRONMENTAL IMPACT STATEMENT
JULY 2025



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Foreword

This document is intended to be a non-technical summary of the Environmental Impact Statement (EIS) for the Kamistiatusset (Kami) Iron Ore Mine Project in Labrador West, Newfoundland and Labrador. The purpose of this document is to provide an overview of key findings of the EIS with respect to potential project-related environmental effects as well as commitments to managing those effects to acceptable levels over the life of the Project. This document is intended to support public consultation. Readers are encouraged to review the full EIS document for additional details on the assessment.

Introduction

The Kami Project is located southwest of the towns of Wabush and Labrador City in Newfoundland and Labrador, and east of Fermont, Québec, in the Labrador Trough. It is surrounded by existing mining operations. The timeline of the Project, which aims to produce 9 million tonnes high-purity iron ore concentrate annually, covers approximately 40 years, including 4 years for construction, 26 years for operations, followed by a long-term post-closure monitoring phase.

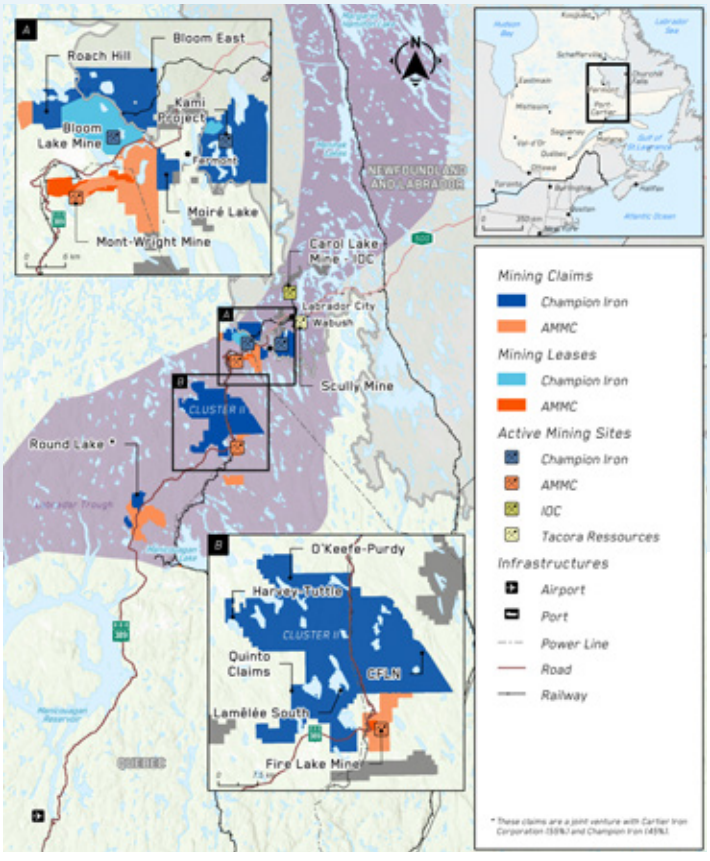
In 2024, Champion Iron published a study confirming the feasibility of developing a new mining operation, the Kami Project. Later that same year, the Company, who already produces high-purity iron ore from its Bloom Lake Mining Complex near Fermont, formed a partnership with Nippon Steel Corporation and Sojitz Corporation for the joint ownership and development of the Project.

Champion Iron is committed to taking a responsible approach to social, economic and environmental performance that is consistent with its stakeholders' priorities. It is also committed to building relationships based on mutual trust, respect and collaboration with local and Indigenous communities.

Project Overview

The Project includes construction, operation, and closure of the following components:

- an open-pit (referred to as the Rose Pit);
- ore processing infrastructure;
- waste management infrastructure;
- water management infrastructure;
- supporting infrastructure (e.g., workforce accommodations, mine service area, potable water supply); and
- transportation corridors (road and rail).



1 Rose Pit and Ore Handling

The Rose Pit is a proposed open-pit located south of Pike Lake, designed to be about 2.6 km long, 1.5 km wide, and 550 metres deep. It will target oxide iron formations, specifically the Rose Central and Rose North deposits in the Wabush Basin.
The design includes a single exit to the east and features two internal pits that converge at a depth of 275 metres. The Project will employ conventional mining techniques alongside a modern In-Pit Crushing and Conveying (IPCC) system to manage mine rock efficiently. Mining will utilize standard surface techniques (drilling, blasting, loading, and hauling) with large 320-tonne haul trucks transporting ore to the primary ore crusher station.

For ore processing, the primary crushing station near the Rose Pit will consist of two crusher buildings and various conveyors. Ore will be crushed, stored in a surge pile, and then moved to a stockpile covered by a geodesic dome. During operations, ore will be stored either in the main ore stockpile, the low-grade ore stockpile, or an emergency stockpile, before being processed.

2

Mine Waste Management and Water Management

The mine waste management system will manage overburden and mine rock from the Rose Pit. Approximately 117 million tonnes (Mt) of overburden will be stored in a stockpile northwest of the pit. Additionally, around 914 Mt of mine rock, including low-quality ore, will be stored east of Mills Lake.

The process plant, located east of Duley Lake, will include a concentrator. The iron ore will be crushed and then concentrated utilizing gravity and magnetic separation. The iron ore concentrate will be stored in a load-out silo with a 30,000 Mt capacity and a surge bin with a 550 Mt capacity. An emergency stockpile can hold up to 75,000 Mt. Supporting infrastructure includes facilities for power, water, and security.

The water management infrastructure for the Project includes a collection pond south of the Rose Pit, supported by three dams, one of which redirects clean water to Pike Lake. It features contact water collection ponds around stockpiles to channel water back to the collection pond, as well as ditches for managing both clean and contact water.

The tailings management facility will have a capacity of 420.4 Mt. It will incorporate systems for seepage management and water reclamation. Additionally, a freshwater intake and water treatment plant are included, along with various pumping systems and collection basins to maintain water levels and manage runoff on-site.

3

Supporting Infrastructures and Transportation Corridors

The Project will require approximately 7.4 million cubic metres (Mm^3) of waste rock and 1.3 Mm^3 of structural fill and aggregate for construction, primarily sourced from the Rose Pit and a temporary aggregate plant near the primary ore crusher station.

Two new access roads will provide critical links from Highway 500 to the Project site, with one road serving as the main access and the other as an emergency exit. Additionally, a 17.6 km railway line will connect the mine to the QNS&L Railway, featuring a loading loop for 240-car trains to facilitate transportation. The alignment of both the access roads and railway will be further refined through ongoing engineering stages.

Project Schedule and Phases

SCHEDULE STAGE, PHASE OR PERIOD	DESCRIPTION	DURATION
Permitting and approvals stage	Includes release from the provincial EA process from the Government of Newfoundland and Labrador, and receipt of permits from applicable provincial and federal regulatory agencies.	**3** years
Construction phase (referred to as Construction)	Includes site preparation (mine, process plant and site infrastructure development), and commissioning the structures, systems, and components.	**4** years
Operations and Maintenance phase (referred to as Operations)	Includes the mining and milling of iron ore, production and shipment of iron ore concentrate, tailings management, management of mine rock, waste management, water management, release of treated effluent, site maintenance and transportation of staff and materials to and from the site. Operations include one year of pre-development mining (i.e., ramp-up).	**26** years
Decommissioning and Rehabilitation phase (referred to as Closure)	Includes accelerated flooding of the Rose Pit, re-establishment of passive surface water drainage following the pit-flooding period, recontouring and revegetating disturbed areas. Physical infrastructure that is not required during Post-Closure monitoring and for other activities required to achieve the Project's decommissioning criteria and to return the site to a safe and stable condition will be removed.	**10** years
Post-Closure period	The transition from Closure to Post-Closure involves ongoing dam safety monitoring, water treatment, and environmental monitoring to verify that water quality is achievable for passive discharge and decommissioning criteria have been met. The length of the Post-Closure period could be further refined through the completion of additional analysis as part of the definitive Feasibility Study.	**40** years

Environmental Assessment and Regulatory Framework

Champion Iron initiated the provincial environmental assessment process by submitting a new Project Registration document, which was made available to Indigenous communities, stakeholders, and the public for comments on May 3, 2024. The Department of Environment and Climate Change coordinated the review of this document with other relevant government departments before recommending the assessment to the Minister.

On June 13, 2024, the Minister decided that an Environmental Impact Statement (EIS) was necessary and subsequently appointed an Environmental Assessment Committee (EAC) to provide scientific and technical guidance and draft guidelines for Champion Iron in preparing the EIS. The Project will undergo a provincial environmental assessment, designed to comprehensively assess the Kami Iron Ore Mine Project's potential environmental, health, social, and economic impacts.

This will provide the Minister of Environment and Climate Change with enough information to confirm that key issues raised during community engagement and consultation activities have been addressed, to recommend mitigation measures, and to ensure that the Project is unlikely to cause significant adverse effects. The EIS details the proposed Project's impacts, analyze alternatives, assess residual and cumulative effects on the environment, explore potential accidents and their consequences, and summarize consultation activities. Additionally, it includes a list of commitments and plans for monitoring and follow-up.

Known Existing Contaminated Sites and Environmental Considerations

Known Contaminated Sites

Champion Iron's research has identified potential contamination sites near Wabush. The review revealed a hydraulic oil spill in November 2011, where approximately 100 to 120 litres of hydraulic oil was released due to a ruptured drill rig cooler. Emergency response actions resulted in the excavation of about 35 tonnes of contaminated materials, and subsequent soil samples confirmed that petroleum hydrocarbon concentrations did not exceed ecological-based federal guidelines. The reports included in the review also referenced previous remediation efforts and conditions for closure.

Environmental Considerations

1. Climate Change

Monthly hydrologic parameters, including temperature, precipitation, and wind speed, have been analyzed using historical data from the Wabush Lake A weather station to assess the Project's water balance and calculate evaporation water going from a liquid to a gas—like a puddle drying up and evapotranspiration (water evaporating from soil and surfaces, plus water released from plants).

Climate change observations indicate that Canada is warming at nearly twice the global average, with increasing temperatures and precipitation levels, particularly in the Atlantic region. To account for these changes, the sizing of water management infrastructure for the Project incorporates anticipated increases in design rainfall, utilizing updated Intensity-Duration-Frequency curves for future climate conditions.

2. Hydrological

The Project will be located within the existing Rose Pond, south of Pike Lake, part of the Churchill River watershed headwaters. The area's drainage pattern directs water north and east through various watercourses, lakes, and wetlands.

To gain a better understanding of hydrological conditions, we conducted a baseline characterization study, which included reviews of previous assessments, climate studies, water level monitoring, and water quality sampling at multiple sites. Additionally, bathymetric mapping of targeted lakes was performed to support the Project's design and environmental impact statement (EIS) by modelling water balance and predicting the effects of water withdrawals, diversions, and discharges on local water bodies.

3. Geotechnical and Hydrogeological

The Project is located in an area of low seismic risk. The ground is composed of topsoil and peat over layers of sandy silt and dense till, while shallow groundwater has been noted throughout the site.

A review of the existed data and new site investigations were completed to update the hydrogeological model, which now incorporates hydraulic conductivity estimates. The assessments revealed varying bedrock quality and indicated that weathered areas in the western Rose Pit could lead to higher permeability zones, posing dewatering risks to surrounding lakes if not properly managed.

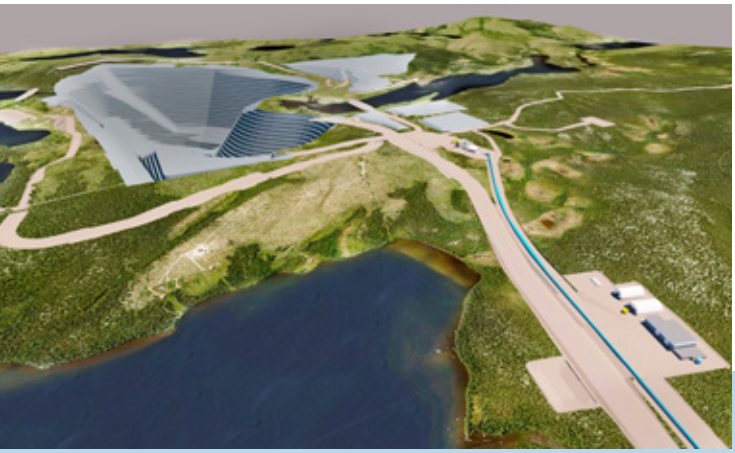
Project Infrastructures

1. Water Management

The Project's water management system will include a collection pond to store contact water, as well as dams and pumping systems to divert clean water away from the mine site. A dike will keep Pike Lake separate from the Rose Pit to protect the lake and increase the safety of the operations. The Project will also feature a Tailings Management Facility which include water management infrastructure to manage water and seepage. A freshwater intake will be located in Duley Lake upstream from the treated water discharge.

2. Process Plant

The concentrator will be located to the east of Duley Lake and will consist of a mill, a gravity circuit, magnetic separation circuits, flotation circuits, dewatering processes, and process areas.



3. Access Roads

The Project will feature two new access roads: the west access road, measuring 5.1 km, which will serve as the initial access and emergency exit, and the east access road, stretching 8.9 km, providing main access from Highway 500 to the Kami site. The west access road will facilitate transport to the Rose Pit and overburden stockpile, while the east access aligns with existing corridors to avoid sensitive water supply areas. Additionally, a new 17.6 km Kami railway line will connect the mine to the QNS&L Railway, incorporating a loading loop for 240-car trains at the site. Diesel supplies will be transported by truck, with gated guardhouses planned to control access from both roads.

4. Power Supply and Distribution

The estimated electrical power requirement for the Project is approximately 172 megawatts (MW), but the current grid's capacity in Labrador West is insufficient. To address this, Newfoundland and Labrador Hydro is conducting the Labrador West Transmission Study to evaluate the feasibility of expanding the transmission system from Churchill Falls, which will include environmental assessments for any new infrastructure. Proposed plans involve constructing a 735-kV transmission line from Churchill Falls to Flora Lake, followed by an 18.5 km, 315 kV line to connect the Flora Lake substation to the Kami substation at the process plant. While these transmission lines will support the Project, they will be managed through a separate approval process and are not included in Kami's environmental assessment scope.

Project Activities

The Project's Construction phase will focus on building and commissioning all necessary components to begin producing iron ore concentrate. It will last four years, with a peak workforce of approximately 600 onsite workers, including employees, consultants, and contractors. Key activities during this phase will include site preparation, development of access and on-site roads, quarrying at the Rose Pit, in-water works, construction of the Tailings Management Facility, establishing power supply and distribution, building the railway, and constructing various infrastructure. Additionally, there will be transportation and storage of fuel and hazardous materials as part of the construction efforts.

1. Site Preparation

Site preparation for the Project will involve a series of activities to set up mining infrastructure, including vegetation clearing, earthworks, and concrete works for building foundations. Vegetation clearing will be conducted in accordance with regulations, selectively removing trees and shrubs while avoiding sensitive migratory bird breeding seasons and implementing buffers near wetlands. Earthworks will include stripping of unsuitable materials, placing fill, and grading land for access roads, on-site roads, railway corridors, and the Tailings Management Facility. Surficial organic materials will be removed to prepare foundations, while concrete will be sourced and batched on-site for construction, particularly for building foundations and infrastructure. The concrete work will be strategically scheduled to minimize winter activities, with a preference for completion in spring.

2. Aggregate and Borrow Source Material

The Project will require approximately 7.4 million cubic metres (Mm^3) of waste rock and 1.3 Mm^3 of structural fill and aggregate for construction, including concrete production and infrastructure development like roads and the Tailings Management Facility starter dam. A temporary aggregate plant will be established at the primary ore crusher station to facilitate material crushing, while a borrow pit within the Tailings Management Facility will support construction needs. Preliminary assessments indicate that certain mine rock can be used as structural fill if adequately covered with water, while an esker identified along the Waldorf River will provide suitable sand and gravel for concrete production. Champion Iron will continue to explore additional sources and refine estimates as engineering progresses.

3. In-Water Works

In-water works during the construction phase will involve dewatering activities and isolating work areas to facilitate the installation of water crossing and management infrastructure, including bridges, dams, dikes and collection ponds. These activities will be managed with mitigation measures to minimize environmental impacts, such as using temporary settling ponds to allow suspended particles to settle and employing sediment barriers and silt fences. Planned in-water works include constructing access road crossings, a bridge over the Waldorf River, a dam at Mid Lake to control surface water flow, dewatering Rose Lake to Pike Lake, and early construction of the Rose Pit collection pond to store contact water. A Construction Environmental Protection Plan will ensure that water management strategies meet regulatory requirements and minimize impacts on aquatic environments.

4. Buildings and Transport of Dangerous Good and Fuels

Construction of mine buildings, including the process plant and mine services area, along with infrastructure such as the overland conveyor and in-pit crusher, is expected to begin towards the end of Construction Year 2. By mid-Year 2, the process plant and crusher buildings will be built, and most equipment installation will occur in Construction Year 3, with the overland conveyor installation starting in Year 3 and completed before pre-development mining

Fuel and hazardous materials needed for construction will be delivered by truck, with an estimated 20 deliveries per day sourced locally, when possible, while specialized equipment may come from outside the province. Diesel will be stored in designated areas, along with a gasoline filling station near the process plant, all while adhering to local waste management regulations and best practices outlined in Champion Iron's preliminary waste management plan.

5. Mining

The open pit operations are planned for 26 years, which includes one year of pre-production. The last year of production (Year 25) will not include any mining and will involve approximately 2.8 Mt of stockpile rehandling to feed the process plant. The mining rate will remain between 77 and 79 Mt for 11 years, peaking at approximately 81 Mt in Year 15, and then start ramping down until the end of the life of the mine.

Mining schedule by material type

YEAR	ACTIVITY DESCRIPTION	DEPOSITION VOLUME (MM3)	CUMULATIVE DEPOSITION VOLUME (MM3)	ELEVATION (MASL)
-4 to -2	Site preparation on the entire footprint limited by the ditches and pond. Construction of the sedimentation pond and collection ditches.	0.0	0.0	574
-1	Start of deposition of overburden on the eastern side (lowest elevations) of the stockpile footprint.	3.4	3.4	602
0 to 5	Deposition of overburden on entire footprint of stockpile. The entire base and initial benches of the stockpile are complete by Year 5.	60.3	63.6	692
6 to 10	Continued deposition of overburden. Overburden deposition is anticipated to be completed by Year 10 of operations.	6.8	70.4	700
11 to 25	Progressive reclamation of the overburden stockpile, where applicable.	0.0	70.4	700

Project Alternatives

The following Project aspects were identified and evaluated in the analysis of alternative methods:

- Project phasing
- Transportation and site access
- Mining
- Process plant size and type
- Overburden, mine rock, and tailings management
- Ore and mine rock hauling methods
- Sources of energy
- Effluent discharges and water sources

The alternative methods under each Project aspect were screened against the evaluation criteria (i.e., environmental, technical, economic and social criteria). A summary of the results of the alternatives assessment is provided in the following table.

PROJECT ASPECT	ALTERNATIVE METHOD CATEGORY	ALTERNATIVE METHODS ASSESSED	PREFERRED ALTERNATIVE METHOD
Infrastructure and phasing	Construction phasing	- Four-year construction timeline	Four-year construction timeline
	Operations phasing	- 26-year mine life	26-Year Mine Life
	Number of access roads	- West access road only - East access road only - Two access roads (east and west access roads)	Two access roads (east and west access roads)
	East access road alignment	- East access road alignment 1 - East access road alignment 2	East access road alignment 1
	West access road alignment	- West access road alignment 1 - West access road alignment 2	West access road alignment 2
	Ore shipment methodology and route	- Truck iron ore concentrate directly to Sept-Îles - Rail connection to QNS&L rail line - Rail connection to Tacora Rail Line and merge with QNS&L Railway	Rail connection to Tacora Rail Line and merge with QNS&L Railway
Mining	Mining method	- Open pit mining - Underground mining	Open pit mining
	Open pit design	- Pre-feasibility study (PFS) pit design - EIS pit design	EIS pit design
Process plant size and types	Process plant size and type	- Alderon feasibility study design (2018) - Champion PFS design (2024)	Champion PFS design (2024)

PROJECT ASPECT	ALTERNATIVE METHOD CATEGORY	ALTERNATIVE METHODS ASSESSED	PREFERRED ALTERNATIVE METHOD
Overburden, tailings, and mine waste stockpiles	Location of overburden stockpile	- South of Rose Pit (Option B) - West of Pike Lake (Option D) - Northeast of Rose Pit (Option G)	West of Pike Lake (Option D)
	Location of mine rock stockpile	- South of Rose Pit (Site 2) - Southeast of Rose Pit (Site 5) - Northeast of Rose Pit (Site 6)	Southeast of Rose Pit (Site 5)
	Location of Tailings Management Facility	- Alternative C8 - Alternative C10 - Alternative C12 - Alternative C13	Alternative C10
Ore and mine rock hauling methods	Ore and mine rock hauling methods	- Conventional hauling with autonomous trucks - IPCC system for mine rock, with hauling of ore using crewed trucks - IPCC system for both ore and mine rock, with crewed trucks supporting mining operations	IPCC system for mine rock, with hauling of ore using crewed trucks
Sources of energy	Sources of energy	- Diesel generators - Transmission line from NL Hydro grid	Transmission line from NL Hydro grid
Water supply and wastewater	Number and location of treated effluent discharges	- Discharge locations at both Pike Lake and Duley Lake - Discharge location at Duley Lake only, with water transfer to Pike Lake	Discharge location at Duley Lake only, with water transfer to Pike Lake
	Management of seepage at water collection dikes	- Collection of seepage and treatment at Rose Pit collection pond - Redirect seepage to originating water source	Redirect seepage to originating water source
	Effluent treatment method	- Natural attenuation - Water treatment via coagulation	Water treatment via coagulation
	Sewage treatment method and discharge location	- Wastewater collected and treated on site - Wastewater collected in septic tanks and transported off site via trucks to a treatment facility - Discharge treated sewage effluent into Duley Lake - Discharge treated sewage effluent into a wetland on site - Surface water	Wastewater collected and treated on site, and discharged at a wetland on site after treatment
	Potable water supply	- Groundwater - Duley Lake	Groundwater
	Process water supply	- Mills Lake - Duley Lake	Duley Lake

Effects Assessment Methodology

This Environmental Impact Statement (EIS) seeks to meet the legal requirements of the Newfoundland and Labrador Environmental Protection Act. It also considers the requirements of the EIS Guidelines issued by the Minister of Environment and Climate Change.

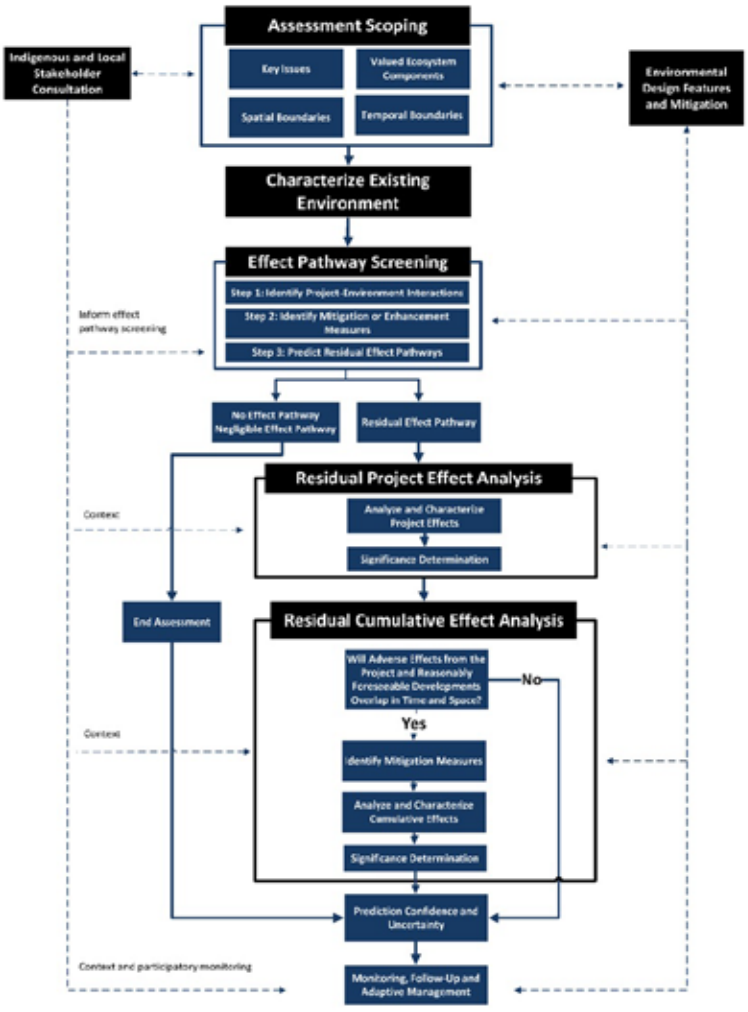
The EIS studies how different aspects of the proposed Project might affect the environment, focusing on three broad areas:

1. Biophysical impacts – Changes to the natural environment like air, water, animals, and plants.
2. Cultural impacts – Effects on heritage sites or land use.
3. Socioeconomic impacts – Effects on local jobs, services and infrastructure, and community well-being.

The EIS evaluates how the Project will interact with the existing environment to determine if effects exist.

- When negative impacts are identified, it recommends mitigation measures (ways to reduce or avoid harm).
- When positive impacts are identified (like economic benefits), it suggests enhancement measures to increase those benefits.

The process follows a structured approach with the steps described in the following graph:



After applying mitigation or enhancement measures, the EIS does a detailed analysis of residual impacts (effects not fully avoided or mitigated). Residual impacts are also brought forward to a cumulative effects analysis, which looks at whether they might combine with those from other future developments in the area. Monitoring and follow-up programs are also proposed to confirm effect predictions and the effectiveness of mitigation measures.

Air Quality and Climate

Air quality is essential for protecting the health of nearby communities, as well as local ecosystems—including wildlife and vegetation. The Project's mining operations and fuel-combustion activities are expected to release airborne pollutants like dust, combustion gases, and metals. They will also lead to the release of greenhouse gases, which we must minimized.

How did we study it?

We examined a range of air contaminants regulated under the 2022 Newfoundland and Labrador Air Pollution Control Regulations including:

- Particulates: Total Particulate Matter (TPM), PM10 (coarse particles), and PM2.5 (fine particles from combustion).
- Gases: Nitrogen dioxide (NO_2), carbon monoxide (CO), and sulphur dioxide (SO_2).
- Metals: Arsenic, cadmium, lead, mercury, nickel, vanadium, and zinc.

For climate, the focus was on GHGs: carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), during construction, operations, and site closure.

We measured 3 types of GHGs emissions:

- **Scope 1**: Direct on-site emissions (e.g., from equipment and vehicles)
- **Scope 2**: Indirect emissions from purchased electricity
- **Scope 3**: Indirect emissions from off-site activities (e.g., transport and supply chain)

Air quality impacts were modelled within a 20 km radius around the mine, covering nearby towns such as Wabush, Labrador City, and Fermont, Québec. Cumulative effects were assessed within a 30 km area. GHG emissions were compared with provincial and national inventories and climate targets, over a 40-year project life cycle.

What did our study reveal?

Through activities such as blasting, transportation on unpaved roads, and fuel combustion, the Project will emit air pollutants, especially during the Operations phase. Modelling shows that concentrations of TPM and PM10 may occasionally exceed provincial air quality standards near some recreational cabins and Fermont, Québec. However, other pollutants—including PM2.5, NO_2, CO, SO_2, and the listed metals—are predicted to remain within safe, regulated levels. GHG emissions will occur during all phases, mostly from equipment and power use. The Project's annual contribution will be less than 0.7% of the province's total GHG emissions and under 0.01% of Canada's GHG emissions. However, the production of high-purity iron ore will generate significant opportunities to reduce the GHG emissions from the production of steel (Scope 3).

How are we mitigating the impacts?

To reduce these impacts, the Project includes several mitigation measures and design features, such as dust suppression systems, cleaner-burning equipment, and optimized material handling practices. An Ambient Air Quality Monitoring Program will run throughout all phases to track emissions and ensure regulatory compliance.

For climate impacts, a Best Available Technology assessment was conducted to identify emissions-reducing technologies. The Project is also subject to federal and provincial GHG reporting requirements and must implement reduction strategies in line with government policies.

What are the final impacts, after mitigation?

Despite mitigation measures, some residual impacts will remain:

Air Quality:

During operations, the levels of TPM and PM10 may occasionally exceed regulatory thresholds in some areas (e.g., cabins near Duley Lake South and parts of Fermont). These impacts are expected to be local, rare, occur for short periods of time, and be reversible. Other pollutants are expected to stay within regulatory limits.

Climate:

The project itself will generate GHG emissions but will enable much greater emission reductions in steel production. The Labrador Trough is one of the purest iron ore hubs in the world. High-purity iron ore from this region is produced with the lowest carbon intensity thanks to hydroelectricity. Using high-purity iron ore meets the purity required to eliminate the need for coal, thus reducing emissions in the steelmaking process by 50% and by up to 85% if using a clean fuel source like hydrogen.

How is this different from Alderon's findings?

The current assessment predicts slightly higher concentrations of air pollutants near the site than Alderon's study, due to upgraded models and data. Our understanding of the impact to air quality is more advance and the additional design features included to the Project will reduce the impact to air quality. The new Project design also results in lower GHG emissions than what was projected in 2012, because of improved technologies, cleaner equipment, and more efficient processes.

Noise, Light and Vibration

Noise, light and vibration are key concerns in the Provincial EIS Guidelines since they can affect human well-being, fish and wildlife habitat, as well as nearby infrastructure. Understanding and managing these effects is crucial, especially given the potential for cumulative impacts with other industrial activities in the region.

How did we study it?

Our model seeks to predict and measure the Project's impact on the site, in the immediate area around it and across the broader region. Noise monitoring included both continuous unattended recording and spot checks near sensitive locations like cabins and RV sites. Vibration was assessed using established models that simulate ground and air impacts from blasting. For light, we measured sky glow and light at night to evaluate the quality of the nighttime environment.

What did our study reveal?

The study found that the existing noise environment in the project area is mostly natural, dominated by wind, wildlife and insects, with some contribution from industrial activity and highways. Noise from the Project will increase during construction and operations, but levels are expected to remain within health and safety guidelines.

For vibration, the most noticeable effects are expected during blasting. While vibration levels may occasionally rise at sensitive points during these activities, they are predicted to stay within acceptable limits and will not pose significant risks.

The light assessment showed that sky glow has increased since 2012, likely due to growing human activity in the region. Project lighting—whether from vehicles, portable lights during construction, or permanent fixtures during operation—could noticeably affect local night skies. However, these changes are still expected to meet recommended lighting guidelines.

How are we mitigating the impact?

Reducing these impacts requires a range of mitigation measures.

- Noise will be managed by using quieter machinery, by implementing buffer zones, and by scheduling noisy activities during less sensitive periods.
- Vibration will be controlled through careful blasting techniques and timing.
- Lighting impacts will be reduced by using downward facing, shielded fixtures and by limiting unnecessary lighting on the site.

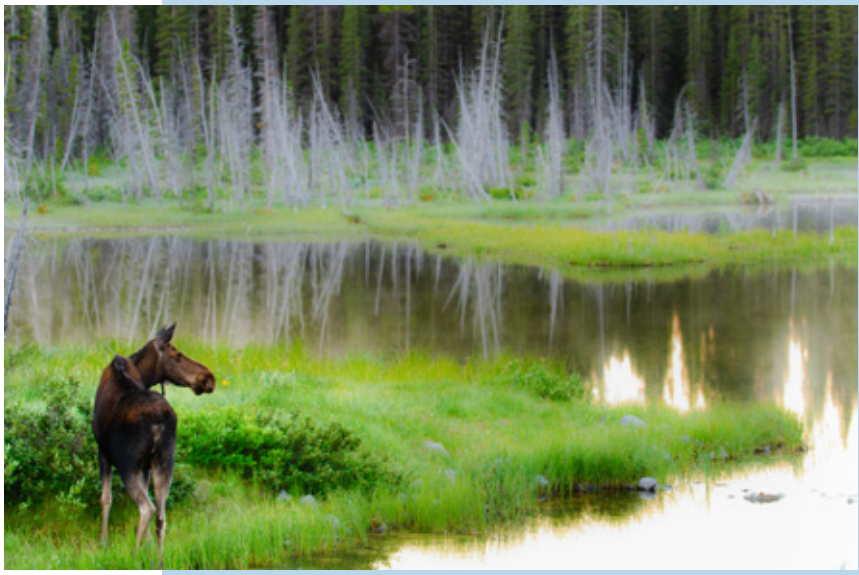
Additionally, the Project will implement a complaints-based response system, allowing residents to report concerns related to noise, light or vibration. These will be investigated and addressed as needed, with further monitoring or adjustments applied where appropriate.

What are the final impacts, after mitigation?

Even after all mitigation efforts, the Project is expected to result in moderate, localized increases in noise, vibration and light during both construction and operations. These impacts are not considered significant. They will be temporary or medium-term, reversible, and limited to areas near the Project site. The assessment also found no significant cumulative impacts when considering other projects in the region.

How is this different from Alderon's findings?

These findings are consistent with the 2012 EIS. Both assessments align on the nature and extent of residual noise effects. However, the current EIS considers vibration and light impacts to be of moderate magnitude, whereas Alderon's assessment characterized both as low. These differences are due to more conservative assumptions in this study and slightly less restrictive mitigation measures for lighting. As an example, our baseline studies on noise showed that the decibel level was 10 dB lower than previously measured. These results have been taken into account in the modelling and assessment of effects.



Groundwater

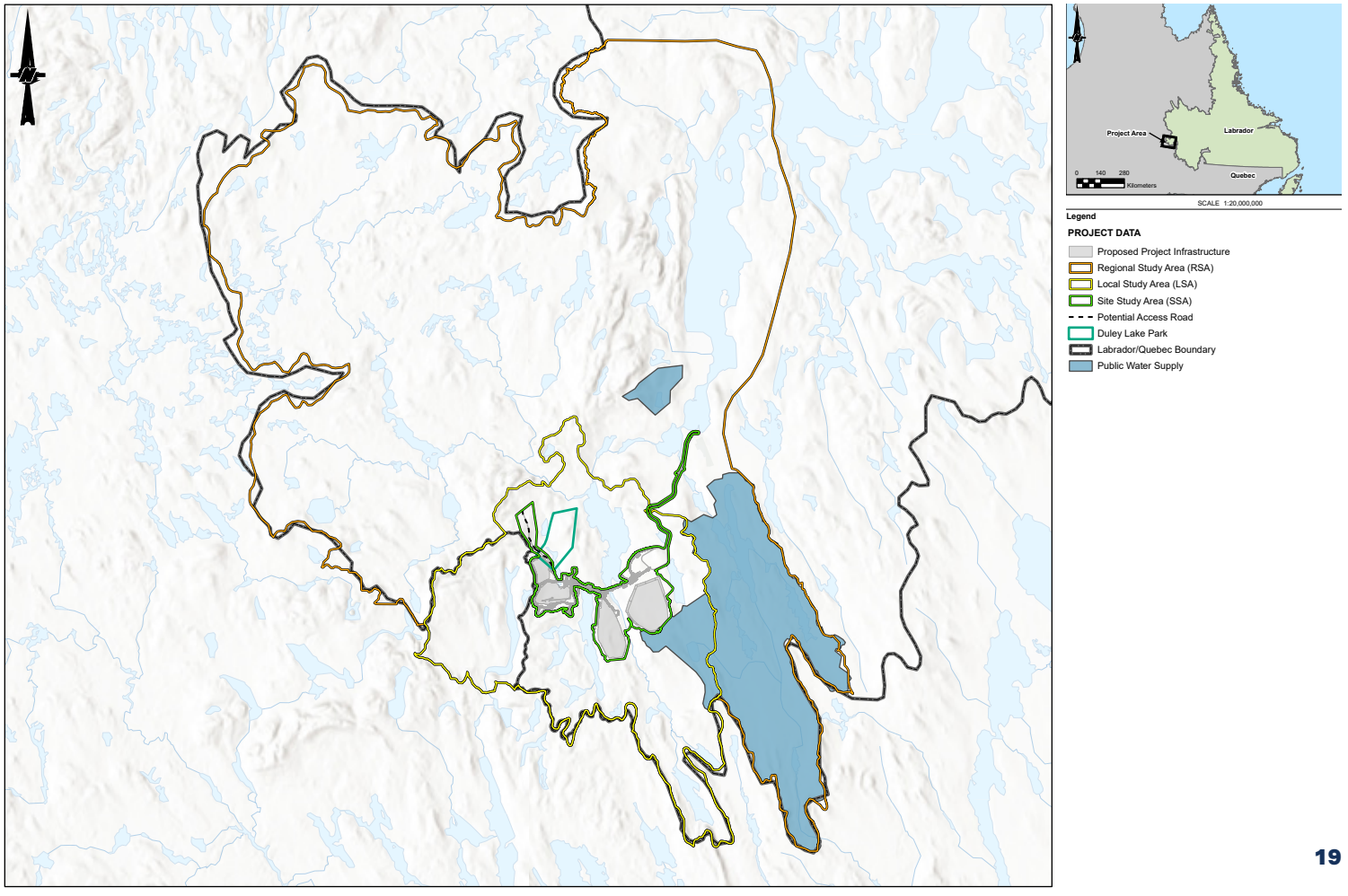
Groundwater is an important component of the assessment because the Project could affect both its availability and its quality. This is a key concern for those who rely on potable water, as well as local ecosystems. Because groundwater also connects to surface water, any change could have wider impacts to lakes and rivers.

How did we study it?

The assessment analyzed two key indicators:

- **changes in groundwater quantity** (like drawdown from pit dewatering); and
- **variations in quality** (possible contamination).

We complete several field investigations from 2023 to 2025 to collect data through drilling, monitoring wells and geological studies. Furthermore, a groundwater flow model was developed using conservative assumptions. The study covered both local and regional areas, including surrounding lakes and known water users.



What did our study reveal?

The project will generate a localized drawdown of groundwater during operation, potentially affecting water levels within about 1,000 metres of the pit. The main impact is to the Pike Lake which is connected to the pit by a regional fault system. Groundwater from Pike Lake will seep into the pit, but it will be redirected to Duley Lake to maintain lake levels. Clean water will need to be pumped back into Pike Lake to maintain the water level. We are proposing pumping water from Duley Lake to achieve this objective. Also, the Pike Dike was added to the project to increase the distance between the pit and the lake to protect the Pike Lake. Overall, the effects on groundwater are expected to be low to moderate, localized, and reversible after closure.

How are we mitigating the impacts?

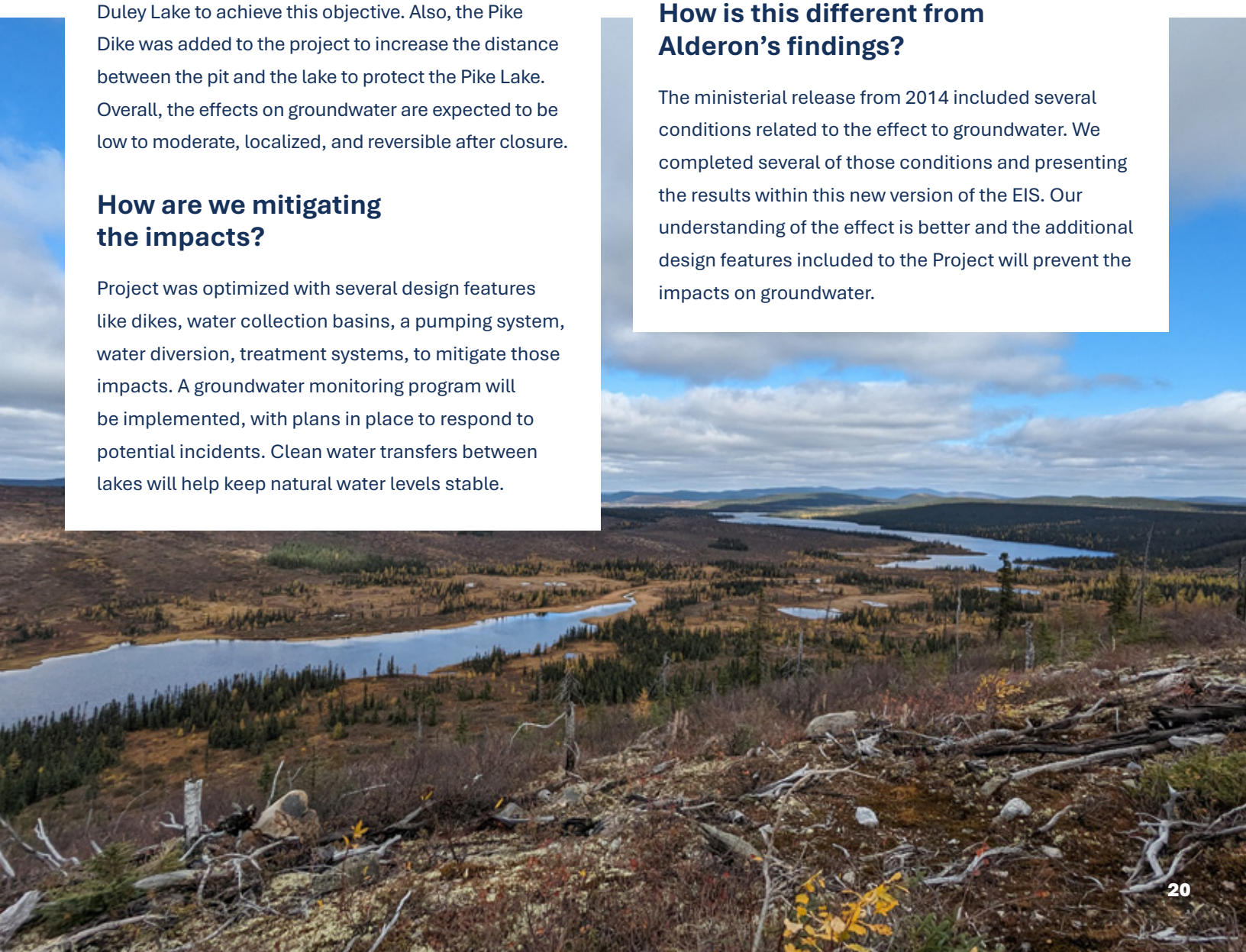
Project was optimized with several design features like dikes, water collection basins, a pumping system, water diversion, treatment systems, to mitigate those impacts. A groundwater monitoring program will be implemented, with plans in place to respond to potential incidents. Clean water transfers between lakes will help keep natural water levels stable.

What are the final impacts, after mitigation?

After mitigation, groundwater effects are not anticipated to be significant. Impacts will be temporary and limited to the immediate area around the pit. Water quality should remain good, and groundwater levels are expected to recover post-closure as the pit floods naturally. Cumulative effects with other projects are expected to be negligible.

How is this different from Alderon's findings?

The ministerial release from 2014 included several conditions related to the effect to groundwater. We completed several of those conditions and presenting the results within this new version of the EIS. Our understanding of the effect is better and the additional design features included to the Project will prevent the impacts on groundwater.



Surface Water

Groundwater is an important component of the assessment because the Project could affect both its availability and its quality. This is a key concern for those who rely on potable water, as well as local ecosystems. Because groundwater also connects to surface water, any change could have wider impacts to lakes and rivers.

How did we study it?

The assessment analyzed two key indicators:

- changes in groundwater quantity (like drawdown from pit dewatering); and
- variations in quality (possible contamination).

We complete several field investigations from 2023 to 2025 to collect data through drilling, monitoring wells and geological studies. Furthermore, a groundwater flow model was developed using conservative assumptions. The study covered both local and regional areas, including surrounding lakes and known water users.

What did our study reveal?

The main impact of the Project is a localized drawdown of groundwater during operation, potentially affecting water levels within about 1,000 metres of the pit. The main impact is to the Pike Lake which is connected to the pit by a regional fault system. Groundwater from Pike Lake will seep into the pit, but it will be redirected to Duley Lake to maintain lake levels. Clean water will need to be pumped back into Pike Lake to maintain the water level. We are proposing pumping water from Duley Lake to achieve this objective. Also, the Pike Dike was added to the project to increase the distance between the pit and the lake to protect the Pike Lake.Overall, the effects on groundwater are expected to be low to moderate, localized, and reversible after closure.

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Project was optimized with several design features like dikes, water collection basins, a pumping system, water diversion, treatment systems, to mitigate those impacts. A groundwater monitoring program will be implemented, with plans in place to respond to potential incidents. Clean water transfers between lakes will help keep natural water levels stable.

What are the final impacts, after mitigation?

After mitigation, groundwater effects are not anticipated to be significant. Impacts will be temporary and limited to the immediate area around the pit. Water quality should remain good, and groundwater levels are expected to recover post-closure as the pit floods naturally. Cumulative effects with other projects are expected to be negligible.

How is this different from Alderon's findings?

The ministerial release from 2014 included several conditions related to the effect to groundwater. We completed several of those conditions and presenting the results within this new version of the EIS. Our understanding of the effect is better and the additional design features included to the Project will prevent the impacts on groundwater.

Fish and Fish Habitat

Fish and fish habitat are key components of the Environmental Impact Statement (EIS) because of their ecological, cultural, economic, and recreational importance to both the public and the government. In freshwater systems, the health and abundance of fish are strong indicators of overall aquatic ecosystem health. Because many fish species around the Project site are ecologically and socially important, maintaining stable populations is a central goal.

How did we study it?

The EIS contains surveys of 18 lakes and ponds near the Project. These surveys assessed both the types of fish present and the nature of their habitats. Particular attention was given to water bodies downstream from the Project site, which could be indirectly affected by water management changes.

The EIS studied the following parameters for fish habitat:

- the area of habitat that could be lost or changed;
- any barriers that could prevent fish from moving through streams;
- impacts on shoreline vegetation, and changes in water flow.

For fish health and survival, the EIS examined:

- likely fish losses;
- the potential disappearance of rare or important species;
- physiological problems caused by pollution, and alterations in the quality of water and sediment.

What did our study reveal?

From 2011 to 2024, 14 fish species were identified in the Project area. Brook trout and lake chub were the most common species. Others, such as lake trout and ouananiche (landlocked Atlantic salmon), were not captured during surveys but are considered likely present based on local angler reports and literature.

Since the Rose Pit is located under an existing lake, which will be drained to access the minerals, there will be an impact on fish habitat in the immediate area of the Project.

The study also considers the effect of discharging treated water (effluent) during construction, operations, and eventual closure and the impact to aquatic life.

The modelling anticipates limited and temporary occurrences where concentrations of a few metals, including cobalt and selenium will increase in surface water, particularly during the operational phase. These levels will remain below toxic thresholds or site-specific benchmarks and are expected to decline after closure.

How are we mitigating the impacts?

Measures such as placing screens on intake pumps, selecting road routes that reduce stream crossings, and constructing modern effluent and sewage treatment systems were all planned to minimize potential harm to fish and fish habitat. An Environmental Protection Plan and a long-term Environmental Effects Monitoring Program will also be adopted to limit the Project's impact.

The impact of the Project on fish habitat will be compensated through a Compensation Plan, as required by the Government of Canada's regulations. All losses of fish habitat will be offset through a habitat improvement project in the St. Lewis River, which aims to restore connectivity between fish habitats.

What are the final impacts, after mitigation?

After applying all mitigation measures and offsets, the Project is expected to have minor residual impacts. Modelling showed that the water flow from Duley Lake will slightly decrease, but mitigation measures, including water transfers, will maintain sufficient water flow into Pike Lake. Some areas downstream may see reduced flows and habitat availability.

In terms of fish health, the levels of selenium and cobalt in Pike Lake and Wabush River will be monitored closely and carefully managed since high concentrations of these substances could be harmful. Site-specific thresholds and continuous monitoring should help detect and prevent serious effects. This is why the Project will regularly monitor fish tissue for chemical build-up and signs of stress, and monitor water and sediment quality.

How is this different from Alderon's findings?

The previous environmental study came to similar findings but concluded that the Project would not likely harm fish health. However, the current EIS includes a much more detailed modelling of the water quality prediction in the lakes surrounding the project. It shows possible increases in metals (like selenium and cobalt) that could affect fish over the long term and identify appropriate mitigation measures such as water treatment and water management measures. Additionally, our compensation plan has been improved and now includes the St. Lewis River Project.

St. Lewis Habitat Offsetting Project

To compensate for the Project's environmental impact, we are proposing a passage enhancement on the St. Lewis River in southern Labrador. This initiative aims to offset the loss of fish habitat caused by the mine, as required by the federal Fisheries Act.

The St. Lewis River is located near the community of St. Lewis, Labrador. A waterfall along the river acts as a natural, barrier to fish, approximately 28 km upriver from the estuary. This inhibits the upstream migration of the Atlantic salmon, greatly reducing access to approximately 30 km of river habitat.

The compensation project seeks to facilitate the passage of fish by building a pool and a fishway system along the natural rock fractures on the southern side of the falls. By enabling salmon and other species to reach the high-quality habitat further upstream, this will considerably expand spawning and rearing areas, and thus facilitate fish reproduction.

Design Features:

The fishway will comprise of eight concrete baffles in the natural channel between the steep rock face forming the south side riverbank and the rock outcrop that splits the river flow in the area. Once built, the concrete baffles and pools will be visually inspected annually to identify any physical changes or deterioration. The results of these inspections will be provided to officials from the Department of Fisheries and Oceans (DFO). If some portions of the offsetting habitat are not productive after several years of monitoring, then adaptive management measures will be put in place to improve fish habitat along the river. Any such measures will be carried out in coordination with DFO.

The St. Lewis River compensation plan was elaborated after engagement with local communities and the NunatuKavut Community Council. The communities previously noted an overall increase in Atlantic Salmon spawning and rearing habitat as a net benefit to the viability of the St. Lewis population, but the impact on other species in the river needs to be well understood before the compensation project begins.

Vegetation, Wetlands and Protected Areas

Vegetation, wetlands and protected areas support important ecological functions such as providing wildlife habitat, controlling erosion, and managing floodwaters. They also offer cultural and recreational benefits. This section seeks to understand how the Project will impact them – and to propose ways to avoid, minimize or mitigate impacts.

How did we study it?

The assessment examined the diversity and health of plant communities, including the presence of species at risk and species of concern. Wetlands were studied in detail to classify their types, measure their ecological functions, and understand their water and soil conditions. Protected areas—such as provincial parks and wildlife management units—were also mapped to identify any overlap with Project activities.

To capture both local and regional effects, the study looked at three geographic areas: the immediate site and buffer zone (Site Study Area), a larger local area surrounding the Project, and an even broader regional area. This approach ensured that impacts were considered at multiple scales and over a 40-year timeframe, covering construction through to site closure. Field surveys updated older baseline data from 2011 and 2012 and were supplemented by more recent studies conducted in 2023 and 2025.

What did our study reveal?

There are no species at risk within the Project area.

The Project is expected to temporarily reduce the area of various vegetation types, but these losses are generally less than 20% of their total regional extent and considered recoverable.

Approximately 443 hectares of wetlands within the Project area will be directly disturbed, representing about 15% of all wetlands in the regional study area. This loss of wetland function is significant, but it will be compensated by the Strawberry Lake Management Unit project: a newly designated area within the Labrador City Habitat Conservation Plan.

How are we mitigating the impacts?

The Project will seek to avoid impacting wetlands and protected areas whenever possible and to keep its footprint as limited as possible. Environmental safeguards such as buffer zones, erosion control measures, timing construction activities outside sensitive wildlife breeding seasons, and dust suppression will help reduce impacts.

The soils and rocks removed to access the ore (the overburden), will be stored away from wetlands, contained to prevent runoff, and areas will be quickly revegetated. Monitoring programs will track the success of these measures and guide further mitigation if needed.

In addition, a detailed Environmental Protection Plan will minimize damage to vegetation and wetlands caused by construction and operation activities. If species of conservation concern are found, additional dust control actions will be applied in sensitive areas.

To compensate the impacts of on the area around Pike Lake South, the Project will support the Strawberry Lake Management Unit, which covers an area of 612 hectares. This area was chosen because it is a similar habitat to the Pike Lake South area. This compensation project is a continuity of the collaboration between the Town of Labrador City, the Wildlife Division and the previous owner who established a Stewardship Agreement that includes the Strawberry Lake Management Unit.

What are the impacts, after mitigation?

Vegetation is expected to experience temporary area loss, but a full recovery is anticipated after closure. Wetland loss will occur but is largely offset by conservation commitments. Changes to surface water and groundwater could alter some wetland functions locally, but these effects are expected to be small and reversible over time. Dust from mining operations may temporarily affect plants near the site, especially sensitive to low-growing species in wetlands, but these effects will diminish after the Project ends.

How is this different from Alderon's findings?

The current findings align with an earlier environmental impact study done by Alderon in 2012. Notably, the amount of wetland directly affected by the Project has decreased by about 20% due to better planning and infrastructure design improvements, including road realignments. Protected area impacts remain similar, though some areas previously expected to be affected have been avoided, thanks to the new Project's smaller footprint.

Strawberry Lake Management Unit Compensation Project

The Strawberry Lake Management Unit project will be supported to compensate for the disruption of Pike Lake South. This designated area within the Labrador City Habitat Conservation Plan spans approximately 1,514 acres (612 hectares). It was created in 2014 as a compensatory measure for the anticipated development of the Alderon Project, which has since been abandoned.

The project was selected because it mirrors the habitat composition of Pike Lake South, sharing 12 of the 16 identified habitat classes (waterfowl, shorebirds, mammals and fish). It will support a variety of wetland habitat and upland habitat for waterfowl and other wildlife. It will also buffer the Waldorf River Steady Management Unit under the Town of Wabush's Stewardship Agreement, which enhances regional ecological connectivity.

Like other management units, Strawberry Lake's will help to mitigate the impact of industrial activities in the region. It will offer opportunities for education, recreation and community stewardship initiatives.

The designation was part of an agreement amendment between the town and Champion Iron, ensuring a 1:1 ratio of habitat and wetland compensation.

Under this agreement, both the province and the municipality have defined roles. The province provides technical support, reviews development proposals that may impact designated habitats, and assists with public education initiatives. The municipality is responsible for protecting the designated management units, incorporating the conservation plan into its municipal planning framework, educating the public about the importance of stewardship, and actively participating in the Stewardship Association of Municipalities.

Wildlife

Mining activities can disrupt animal populations and ecosystems. Key concerns include impacts on bird habitats, caribou populations, loss and degradation of vegetation, wetlands, and freshwater habitats, as well as sensory disturbances like noise, light, and vibrations which could affect wildlife behaviour.

How did we study it?

The study aimed to assess both direct effects from the Project and cumulative effects combined with other activities in the region. The approach included reviewing existing environmental guidelines and past mining projects in Labrador, incorporating feedback from Indigenous groups and local communities, and conducting new wildlife surveys in 2023 and 2024.

We identified 15 important species – and groups such as migratory and boreal caribou, several bird species (like harlequin duck and peregrine falcon), bats (including species at risk), large mammals (moose and black bear), furbearers (beaver and marten), and amphibians (wood frog and salamander).

The study covered the immediate area of the Project and a broader Regional Study Area extending 40 km beyond the site, to capture potential habitat loss, alteration, and cumulative effects.

What did our study reveal?

The Project will lead to a reduction of suitable habitat for wildlife by approximately 22.3% near Project site and by 7.9% in the Regional Study Area. Large areas of suitable habitat will remain available for wildlife across the region.

Sensory disturbances such as noise, light and vibrations will likely cause some wildlife to avoid the area temporarily, potentially affecting their movement and behaviour. Injury or mortality risks from vegetation clearing or vehicle collisions should be rare and have minor effects on wildlife populations. Amphibians may experience moderate effects due to their limited mobility and sensitivity. Overall, these impacts are localized, temporary and considered manageable.

How are we mitigating the impacts?

The Project has incorporated several environmental design features. Its footprint has been reduced, there will be careful water management, roads were designed to be placed far from sensitive habitats, and there will be a comprehensive Environmental Protection Plan.

Mitigation measures include avoiding clearing during breeding seasons to protect birds and other wildlife, controlling dust and emissions, managing noise and light pollution, and the progressive reclamation of disturbed areas. These efforts aim to minimize habitat loss, disturbance, and injury risks throughout the Project lifecycle.

Environmental impacts will be tracked through monitoring and follow-up programs. They will allow the Project to identify and mitigate any unexpected impacts throughout its lifespan.

Several plans are in place to manage wildlife, water, erosion, waste and invasive species. Adaptive management will allow adjustments based on ongoing survey results to ensure mitigation measures remain effective. The Stewardship Agreement creates a protected area of 612 hectares named the Strawberry Lake Management Unit. It will offset the loss of wildlife habitat around Pike Lake.

What are the final impacts, after mitigation?

After applying mitigation, some residual effects remain, primarily habitat loss, habitat alteration and sensory disturbance. However, these residual impacts are predicted to be minor and should not have a significant impact on wildlife populations. Large areas of suitable habitat will remain connected and available regionally, allowing wildlife to adjust their ranges. Amphibians may face some moderate residual effects due to their vulnerability. The commitment to maintain the Stewardship Agreement with the Towns of Labrador City will help offset remaining habitat impacts and support long-term ecosystem health.

How is this different from Alderon's findings?

The findings are consistent with the previous assessment. Both identified manageable minor effects on wildlife with effective mitigation. Compared to the initial assessment, this study includes a new focus on bats and woodland caribou, with additional surveys planned. Nonetheless, the overall conclusion remains that the Project's impacts on wildlife and habitat are unlikely to be significant once mitigation measures are implemented.

Heritage and Historical Resources

We studied how the Project will affect archaeological sites, historic buildings, and cultural heritage landscapes, including areas significant to Indigenous Peoples. This includes fossils, burial grounds, spiritual sites, or any place of cultural or historical value.

Given the nature of the Project, there is a risk of affecting archaeological materials or other heritage assets. In Newfoundland and Labrador, heritage resources are protected by the Historic Resources Act, which prohibits altering or disturbing registered heritage sites without permission. The Provincial Archaeology Office (PAO) is responsible for enforcing these rules.

How did we study it?

The EIS sought to identify every archaeological, historical or cultural site that would be altered or destroyed because of the Project. It looked specifically at the area where most construction will occur – called the Site Study Area (SSA). Larger areas were also considered to assess broader cumulative effects.

Two studies were completed to understand heritage risks:

- A Heritage and Historical Resources Baseline Report identified areas within the SSA with archaeological potential, especially along rivers and elevated land.
- The Cultural Heritage Screening Report focused on for protected buildings or cultural landscapes in the area. None were found.

What did our study reveal?

The Heritage and Historical Resources Baseline Report identified potential sites, but did not find any known site. It recommended that the Project include an Accidental Discovery of Artifact or Human Remains Protocol to guide responses if unexpected finds occur.

How are we mitigating the impacts?

To avoid the destruction of sites of heritage significance, the Project will:

- Conduct additional archaeological studies before construction; and
- Apply the Accidental Discovery of Artifact or Human Remains Protocol as part of its Environmental Protection Plan.

What are the final impacts, after mitigation?

With the mitigation measures in place, the EIS concluded that the Project would have no significant residual effect on heritage or historical resources.

How is this different from Alderon's findings?

The EIS's findings align with the earlier EIS conducted by Alderon. It found that the area had archaeological potential, but there was no evidence of archaeological, historical or cultural sites.

Indigenous Land and Resources Use

Indigenous communities have populated Labrador for centuries and the assessment seeks to understand how the Project will impact their ancestral land and traditional way of life. It anticipates direct and broader impacts, as well as cumulative impacts of other industrial activities in the region. Key concerns include access to traditional land, noise, light and altered landscapes, as well as possible impacts on the wildlife, fish and plants that are culturally significant.

How did we study it?

The assessment reviewed provincial environmental guidelines, analyzed land use studies, archaeological reports, government documents, and findings from other projects in the region.

It also included input from five Indigenous communities: Innu Nation, Innu Takuaikan Uashat mak Mani-Utenam (ITUM), Nation Innue Matimekush-Lac John (NIMLJ), Naskapi Nation of Kawawachikamach (NNK), NunatuKavut Community Council (NCC).

What did our study reveal?

The Project is not expected to cause significant or lasting changes to Indigenous land and resource use. Impacts on access to traditional land, experience of being on the land, and availability of culturally significant resources such as wildlife, fish, and plants are expected to be minimal. The analysis showed that possible changes—such as sensory disturbances or shifts in environmental conditions—can be addressed through mitigation, resulting in little to no effect on how the land is used.

How are we mitigating the impacts?

The Project includes several measures to reduce impacts on Indigenous land and resource use. These steps include keeping land access open where it is safe, sharing information and updates with Indigenous organizations, and working closely with them to understand their ancestral knowledge and their use of the land.

The design was optimized to limit the Project's impacts on air quality, noise, vibrations, light, traffic, water, plants, fish, wildlife, natural habitats, and heritage resources through various management plans. The design will also minimize the visual impact of the mine and of the storage piles.

The Project will track its impacts through regular monitoring and engagement with Indigenous organizations. This could translate into refined mitigation measures in the future.

What are the final impacts, after mitigation?

Following the implementation of mitigation measures, any remaining effects on Indigenous land and resource use are expected to be minimal. There is a moderate level of confidence in this prediction, based on available information, ongoing engagement with Indigenous groups, and the effectiveness of similar measures in other projects. The Project's mitigation efforts are expected to maintain access to traditional lands and the availability of resources, supporting continued cultural practices. In sum, no residual effect pathways are anticipated for Indigenous Land and Resource Use.

How is this different from Alderon's findings?

The previous EIS came to the same conclusion.

Other Land and Resource Use

Changes in the way people use the land and its resources are a common consequence of large-scale industrial projects, and this section examines this question. It should be noted that it focuses solely on non-Indigenous communities, and that there is a separate and distinct section on Indigenous communities.

The study considers different possible consequences, such as restricted access to recreational areas, harvesting grounds, and cabin areas—and the broader cumulative effects from other nearby developments. Key concerns include disruptions to hunting, fishing, and snowmobiling, potential interference with existing mining operations, and effects on protected water supply areas and trail networks.

How did we study it?

We followed provincial guidelines and applied a precautionary, consultation-informed approach consistent with accepted land use assessment practices. The study included desktop reviews, engagement with stakeholders and regulators, analysis of spatial overlap with land use areas, and consideration of sensory disturbances like noise and light. Key factors such as land tenure, zoning, recreation patterns, and harvesting activities were mapped and analyzed across three study areas.

What did our study reveal?

The assessment revealed that the Project is not expected to result in major or long-term disruptions to land and resource use. Potential impacts—such as reduced access to recreation areas, cabin zones, and harvesting grounds—are anticipated to be limited in scale and mostly reversible over time. The areas directly affected represent a very small portion (0.03%) of the regional study area. Effects on tourism and harvesting are expected to be of low magnitude, especially with proposed mitigation measures like route adjustments, progressive rehabilitation, and ongoing stakeholder engagement.

While some cumulative effects may occur in combination with nearby developments, the total area affected remains small (0.13% of the regional study area) and is not considered significant.

How are we mitigating the impacts?

To minimize disruptions, the Project's footprint has been carefully designed to avoid sensitive recreational and harvesting areas where possible. A western access road was added to reduce inconveniences for cabin users and residents. Visual impacts have also been addressed: key components like waste rock storage areas were designed to make them less visible from Fermont and to preserve scenic viewpoints at Mount Daviault and Mount Severson. Progressive rehabilitation of the disturbed land will begin during the operations phase to support the recovery of affected areas over time.

We will continue to engage with stakeholders—including land users, cabin owners, and local governments—to share updates, address concerns, and explore solutions, including compensation if appropriate. Ongoing coordination with provincial regulators will help ensure the Project meets land use requirements and protects designated areas, such as public water supply zones. Design adjustments and mitigation efforts to reduce impacts in Labrador West will also benefit Fermont residents.

What are the impacts, after mitigation?

With the mitigation measures, the Project is expected to have a low impact on the way people use the land and its resources. Some residual impacts may occur, such as limited access to certain areas used for recreation, tourism, and harvesting. These disturbances will occur during the construction and operation phases, and be small in scale, largely reversible, and limited to a small portion of the region. The Project will not significantly affect overall land availability in the region, and alternative areas for affected activities remain accessible.

How is this different from Alderon's findings?

The initial assessment reached similar conclusions, finding no major lasting impacts on land and resource use. The Project plans to reduce impacts by restoring the land after operations cease and by collaborating closely with people who use the area for recreation in order to minimize impacts.

Economy and Employment

Economy and employment are important factors for the wellbeing of communities, providing income and supporting businesses. The construction, operation and closure phases will span over 40 years and create significant job and business opportunities in nearby communities. The assessment seeks to identify ways to maximize positive outcomes and minimize any adverse impacts on the local economy.

How did we study it?

The assessment used established scientific methods, including economic impact modelling and input from engagement with Indigenous groups and local stakeholders. Existing economic conditions were reviewed using data from government sources, Statistics Canada and previous economic analyses.

The study focused on economic impacts in the immediate area around the Project, and in the entire province of Newfoundland and Labrador. The assessment considered a 40-year period covering construction, operations and closure. This comprehensive approach allowed us to evaluate potential changes in employment, business activity and government revenues related to the Project.

What did our study reveal?

The Project will have a net positive impact on the economy and employment in Labrador West and in the Province of Newfoundland and Labrador. It will generate quality jobs, business activity and tax revenue for the Government.

Under-represented groups, including women and Indigenous peoples are expected to benefit from the Project. Women are expected to make 10 to 25% of the workforce, and Indigenous peoples approximately 6%, based on regional mining sector averages. It should be noted that the representation of women in the Canadian mining workforce is lower than the average for all industries.

The Project will require up to 1,000 workers during the construction phase, and about 600 workers during operations. We are committed to prioritizing local recruitment, however at this stage of the project, it is impossible to plan to rely solely on local hiring. The region's current employment rate does not allow us to make such an assumption. As a result, we must assume a certain level of foreign employment to complete local hiring.

How are we mitigating the impacts?

We will continue to prioritize Labrador West residents for employment wherever possible since this will maximize benefits to the community and reduce our reliance on workers from other regions.

The project staffing situation remains complex and will require the participation of all stakeholders to develop growth opportunities for the region. This is why we will continue to work with various levels of government and with local stakeholders—to evaluate measures that could be implemented to mitigate the employment situation.

We remain committed to building an inclusive workforce that emphasize gender diversity as well as the employment of members of local Indigenous communities.

We are pursuing our work with the Labrador West Alliance, a Regional Working Group of mining companies, municipalities, provincial, and federal government agencies, and the Labrador West Chamber of Commerce to help address common issues, such as labour supply, health care services capacity, transportation access and housing or accommodations.

The assessment also identified measures to reduce potential adverse effects, such as labour shortages in other sectors. A Benefits Agreement and a Gender Equity and Diversity Plan will aim to increase opportunities for under-represented groups. Regular follow-up and monitoring will be carried out throughout all phases of the Project to ensure the community and the province benefit from it.

What are the impacts, after mitigation?

The Project will have a significant positive effect on the economy and employment opportunities in the region and across the province. It is expected to generate long-term benefits through employment, increased income, business opportunities and government revenues. Specific plans will be made to increase opportunities for under-represented groups.

How is this different from Alderon's findings?

The 2012 EIS came to similar conclusions. It anticipated there would be no residual adverse impacts on the economy and employment. To the contrary, significant positive effects were anticipated.

Services and Infrastructure

Housing, healthcare and community services are already under pressure in Labrador West. This section looks at how the Project could further impact these issues. It considers both the direct impact of the Project and the broader cumulative effects of ongoing industrial activity in the region. Key concerns include rising demand for housing, childcare, education, healthcare and emergency services, as well as potential impacts on traffic and transportation infrastructure.

How did we study it?

The assessment followed provincial environmental guidelines and used accepted socio-economic methods to understand how the Project might affect local services and infrastructure. The study also incorporated feedback from regulatory authorities, Indigenous communities, residents and stakeholders, including cabin owners and business owners. The assessment focused on the immediate area around the Project, on the broader Labrador West region, and the nearby community of Fermont, Québec.

What did our study reveal?

The Project will attract new workers, which means there will be additional pressure on existing services and infrastructure, especially in Labrador City and Wabush, where housing, childcare, education and healthcare services are already stretched. Population growth linked to the Project should increase demand for different public services.

The assessment showed that these effects can be managed by working closely with the government and local service providers to plan for the arrival of the Project's workers.

How are we mitigating the impacts?

The Project includes several measures to help manage increased demand on local services and infrastructure. With a Workforce and Employment Plan, we commit to housing non-resident workers on-site to reduce pressure on local housing and community services. We will work with municipalities, service providers and other regional partners to coordinate planning and share updates. We are also committed to ongoing work with the Labrador West Alliance, a regional working group of mining companies, municipalities, provincial and federal government agencies, to help address common issues, such as labour supply, health care service capacity, transportation access and housing or accommodations.

Additional steps include implementing a Traffic Management Plan, supporting the development of new housing lots, and collaborating with childcare, healthcare and education providers to help them prepare for an increase in demand. These efforts aim to ensure that local services remain accessible and resilient as the region grows. Ongoing coordination and monitoring will allow mitigation strategies to be adjusted if conditions change.

What are the impacts, after mitigation?

Following the implementation of mitigation measures, remaining effects on services and infrastructure are expected to be manageable. Demand for housing, childcare, education and healthcare may continue to exceed current capacity in some areas, but ongoing coordination and potential increases in governmental funding—particularly in healthcare— are expected to help address these pressures. There is a high level of confidence in this prediction, based on the current socio-economic data and established mitigation plans. Continued collaboration with the government and local partners will support community planning and ensure that services remain responsive as the region grows.

How is this different from Alderon's findings?

Alderon's assessment did not find residual negative effects on public services and infrastructure. This indicates that there is increased awareness on these issues, and that we are working closely with authorities to mitigate impacts.

Community Health and Well-being

The assessment looks at how the Project could affect the physical, mental, and social health of people from nearby communities. It studied both the direct impacts of the Project's construction and operations, as well as the cumulative impacts of different industrial developments in the region. Key concerns included changes in air quality, alterations to viewpoints, noise, and how these factors might influence residents' quality of life.

How did we study it?

We used a combination of scientific analysis, regulatory guidelines and input from local and Indigenous communities. We relied on data from the Human Health Risk Assessment (HHRA) and the Visual Aesthetics Impact Assessment (VAIA), which analyzed factors such as air and water quality, country foods, and changes to the visual landscape.

Information was gathered through desktop reviews of existing government reports, Statistics Canada data, and regional health indicators. We integrated engagement feedback, particularly from Indigenous communities.

What did our study reveal?

The Project is not expected to have serious or long-term impacts on the health and well-being of nearby communities. While some short-term effects—like noise, dust, and changes to the view—may happen during construction, they should be limited to areas close to the site and won't last. Health risks are considered very low, thanks to strong measures to reduce impacts.

Some components of the Project, like stockpiles, will remain visible during operations and after closure, especially from certain outdoor areas like lakes and recreational zones. However, these effects will gradually be reduced through efforts to restore the landscape and to replant vegetation.

In Fermont, two key viewpoints were analyzed, and while some changes will be visible in recreational areas, they won't be noticeable from the town itself.

How are we mitigating the impacts?

The Project's environmental design features and operational practices seek to minimize disruptions, etain vegetation, and progressively rehabilitate the site after the operations phase. Dust, noise, and emissions are managed through best practices in the Environmental Protection Plan. Visual impacts are reduced by strategically placing infrastructure and revegetating stockpiles over time. Continuous monitoring of air, water, and noise, along with ongoing engagement with local and Indigenous communities, helps ensure mitigation measures remain effective. They will be adjusted as needed.

How is this different from Alderon's findings?

Our findings align with Alderon's 2012 assessment, which concluded that the Project would not be a unique visual feature in the region, given the presence of other mines in Labrador West. However, this updated assessment includes more detailed visual modelling and a stronger focus on progressive rehabilitation. It also builds on Alderon's earlier commitments by integrating feedback into the Project design from the outset to further reduce visual impacts.

What are the impacts, after mitigation?

After mitigation, the residual impacts of the Kami Project on surrounding communities' health and well-being are expected to be not significant. This includes negligible health risks for Fermont and the surrounding communities on the Québec side of the border, and moderate, localized visual changes in areas near the Project. Health risks related to environmental exposures—such as air quality—are predicted to be negligible, while changes to viewpoints will largely be confined to specific locations and mitigated over time through site rehabilitation.

Accidents and Malfunctions

Accidents and malfunctions can occur during any phase of major industrial projects. This assessment seeks to understand how such unplanned events could affect the environment and public safety over the life of the Project. It considers both the direct risks of accidents and the broader potential consequences under upset conditions. Key concerns include the potential for pipeline ruptures, seepage from tailings facilities, and spills related to transportation to, from and on the site, all of which could impact water, soil, and local wildlife.

How did we study it?

The assessment followed provincial environmental guidelines and applied a structured, risk-informed approach consistent with industry best practices. It examined all phases of the Project, from construction through post-closure, and considered possible accidents and malfunctions across key components like the open pit, the processing plant, the tailings facilities, water systems, and site roads. A total of 133 potential scenarios were studied using standardized methods to evaluate how likely each one is to occur and what consequences they would have. Scenarios with higher levels of risk were studied in more detail to understand the types of impacts that could occur and how they could be prevented or managed through engineering design, operational procedures, and emergency response planning.

What did our study reveal?

Accidents or malfunctions that could occur throughout the Project's construction, operation and closure are not expected to cause significant impacts. Most potential events, such as equipment failures or minor spills, are unlikely and would have limited environmental consequences. Three scenarios were examined in more detail: a pipeline rupture, a breach at the tailings facility, and a transportation-related spill. In each case, the risk was found to be low after applying mitigation measures.

These findings suggest that the Project's design, safety procedures, and emergency plans will effectively manage potential risks and protect surrounding land, water and wildlife.

How are we mitigating the impacts?

The Project includes a range of measures to reduce the risk and impact of accidents and malfunctions. Key safety features include the use of strong, high-quality materials like HDPE piping and liners, secondary containment systems, pressure monitoring, and engineered barriers to control seepage. Certified transport carriers, designated haul routes, and emergency response plans are in place to manage the risk of spills.

The Project's design and operational plans follow best practices to prevent unplanned events and respond quickly if they occur. Regular monitoring, inspections, and training will ensure that safety systems function as intended. These measures will be updated as needed to reflect new information or changing conditions over the life of the Project.

What are the impacts, after mitigation?

Following the implementation of safety and emergency response measures, remaining risks from accidents and malfunctions are expected to be low. This is based on the detailed risk assessment, the Project's engineering design, and the effectiveness of similar measures in comparable mining operations. The Project is expected to operate safely, with controls in place to prevent environmental damage and protect surrounding land, water, and wildlife.

How is this different from Alderon's findings?

The previous EIS focused on four main accident and malfunction scenarios: a train derailment, a forest fire, a polishing pond dam failure, and a chemical release at the port facility. In contrast, the current assessment adopted a more comprehensive approach, evaluating a broader range of potential scenarios for all Project activities and throughout the mine's life. While two scenarios from the previous EIS (train derailment and forest fire) were re-evaluated in the current assessment and again found to present a low risk, the other two (polishing pond dam failure and chemical release at the port facility) were excluded.

Effects of the Environment on the Project

The assessment looks at how natural hazards—like extreme weather, storms, extreme temperatures, wildfires, or changes in groundwater and geological risks —could affect the Project during its construction, operation, and closure. It considers both immediate impacts to infrastructure and potential secondary effects on the environment. The goal is to understand the Project's resilience to climate change and to identify ways to reduce risks through design, monitoring, and emergency planning.

How did we study it?

We used scientific studies, climate projections, as well as Indigenous and local knowledge to assess how natural hazards could affect the Project's infrastructure and operations. Site-specific data on climate, permafrost, geology, hydrology, groundwater and physiography were reviewed to understand potential risks. Mitigation measures were developed in accordance with technical reports, industry best practices, and federal, provincial and municipal regulations.

What did our study reveal?

The Project can be affected by environmental hazards such as extreme temperatures, heavy precipitation, severe storms, wildfires and changes in groundwater or hydrology—many of which are expected to intensify with climate change. Most of these risks could occur during the construction and operations phases. Other geohazards, such as permafrost, physiography, and seismic activity, are not expected to impact the Project.

In a few specific cases, environmental effects on the Project—particularly from changes in groundwater or surface water due to climate change—could lead to secondary effects on surrounding ecosystems (e.g., disrupted hydrology or biological systems). This will be carefully monitored and managed.

How are we mitigating the impacts?

The Project is designed with climate-conscious features to reduce these risks. These measures include proper drainage to prevent flooding and road monitoring to manage erosion. The Project incorporates both preventive infrastructure and operational practices to reduce risks from natural hazards like wildfires, heavy rainfall and extreme weather. The Emergency Response Plan, Water and Waste Management Plans, and the Environmental Protection Plan will be key to guide responses to environmental events. These measures will be regularly reviewed and updated through adaptive management to stay effective as climate conditions evolve.

What are the impacts, after mitigation?

After mitigation, the residual impacts of natural hazards on the Project are expected to be minimal and not significant. Most risks—including those related to extreme weather, wildfire, and changes in groundwater or hydrology—are addressed through planning and design.

No major secondary environmental effects are anticipated, except in limited cases where changes in groundwater or surface water could affect local hydrology or ecosystems. This will be closely monitored and mitigated throughout the different phases of the Project.

How is this different from Alderon's findings?

The current assessment is based on new terrain mapping and field data. It came to similar conclusions to those of Alderon's study in 2012.

Environmental Management, Monitoring and Follow-up

This section explains how the environmental and social impacts of the Kami Project will be monitored, mitigated and managed. It seeks to ensure the Project is carried out in a way that avoids or reduces harm to nature and local communities.

We remain committed to building strong, mutually beneficial and respectful relationships with Indigenous peoples and with local communities where we operate. We understand the importance of scouring for free, prior and informed consent in decisions that may affect people in their way of living. Throughout the life of the Project, we will continue to engage with Indigenous peoples and local communities to listen to their input and make adjustments when appropriate.

Environmental protection at the core

We have updated and upgraded several plans originally developed by the previous owner to ensure mining operations are conducted in a safe, respectful manner that limits impacts to the environment and the local communities.

- The Workforce and Employment Plan seeks to maximize local economic benefits.
- The Environmental Protection Plan defines on-site responsibilities and best practices.
- The Erosion and Sediment Control Plan helps manage soil and water pollution.
- The Waste Management Plan ensures that waste is reduced, reused or properly disposed of.
- The Kami Engagement Plan ensures that ongoing communication with Indigenous groups and local stakeholders remains a priority.

Monitoring programs will be used to track the Project's impacts, check if protective measures are working, mitigate unforeseen issues, and make sure rules are being followed. These will help catch any unexpected problems early and allow the company to adjust its plans if needed — this is called adaptive management.

A community-based approach

We support diversity and inclusion. We are committed to a Gender Equity and Diversity Plan, originally signed with the Government of Newfoundland and Labrador in 2014. This plan ensures that women, Indigenous people and other underrepresented groups have fair access to jobs, training, and business opportunities related to the project. The plan is being updated to reflect current expectations and standards. water due to climate change—could lead to secondary effects on surrounding ecosystems (e.g., disrupted hydrology or biological systems). This will be carefully monitored and managed.

Engagement

Our approach to community engagement is grounded in our core values: pride, ingenuity, respect and transparency. These values shape every aspect of our operations and interactions with Indigenous Peoples, local communities, various stakeholders and government authorities throughout the development of the Kami Project.

Our strategy is built on three guiding principles:

- Ensuring a safe, inclusive and respectful environment
- Maintaining open and meaningful communication
- Preserving the natural environment and biodiversity

We view long-term, trust-based relationships as fundamental to the Project's success and to minimizing environmental and social impacts, while supporting sustainable economic development in the region.

Engagement activities (2022–2025)

Since November 2022, we have conducted extensive engagement efforts, including weekly field updates, public information sessions, virtual and in-person meetings, formal correspondence, and participation in regional planning forums. We based our approach on the release conditions of the previous project, while validating the engagements and concerns presented by Indigenous groups and local stakeholders to the previous owner.

To support regional coordination, we launched two major initiatives. The Kami Working Group, established in May 2024, brings together representatives from local municipalities, cabin owner associations and recreational organizations. Also, in June 2024, Champion joined the Labrador West Alliance, a regional task force made up of community, industry and government leaders focused on long-standing development issues like housing, infrastructure and workforce needs.

Coordination with Government Departments and Agencies

We have proactively engaged with a wide range of provincial and federal government departments to support early dialogue and regulatory alignment.

Newfoundland and Labrador provincial Departments and agencies involved include:

- Environment and Climate Change (including Environmental Assessment, Climate Change, Pollution Prevention, and Water Resources divisions)
- Executive Council (Office of Indigenous Affairs and Reconciliation, Office of Women and Gender Equality)
- Fisheries, Farming, Natural Resources
- Health and Community Services
- Jobs, Immigration and Growth
- Industry, Energy and Technology (Mines and Energy branches)
- Labrador Affairs
- Municipal Affairs and Community Engagement
- Tourism, Culture, Arts and Recreation

Federal departments engaged include:

- Environment and Climate Change Canada (ECCC)
- Fisheries and Oceans Canada
- Transport Canada

These Departments and agencies collaborate through the Environmental Assessment Committee, which provides regulatory oversight throughout the EIS process.

Engagement with Indigenous communities

We recognize the deep cultural, historical and ecological relationships Indigenous Peoples have with land and water. We are committed to:

- Respecting Indigenous rights, values and traditional practices.
- Reflecting community diversity within our workforce.
- Reducing adverse effects and delivering long-term benefits.
- Seeking free, prior and informed consent where major impacts are likely.
- Incorporating Indigenous input directly into the Environmental Impact Statement (EIS) and project planning.

Five Indigenous communities identified by regulatory agencies continue to be key participants to our consultation process:

- Innu Nation
- Innu Takuaikan Uashat mak Mani-Utenam (ITUM)
- Nation Innue Matimekush-Lac John (NIMLJ)
- Naskapi Nation of Kawawachikamach (NNK)
- NunatuKavut Community Council (NCC)

We are engaged in confidential discussions with these groups regarding the development of Impact Benefit Agreements (IBAs). To uphold Indigenous data sovereignty, we follow the First Nations principles of ownership, control, access, and possession—known as OCAP®, ensuring that communities have control over their information and how it is shared in the EIS.

Public Stakeholder Engagements

Our definition of stakeholders includes residents, municipal governments, cabin owner associations, recreational users, non-government organizations (NGOs) and other organizations with an interest in the Project. Stakeholders were identified based on proximity to the site, past involvement and the potential to be affected by the Project's outcomes.

Engagement activities with public stakeholders have included open houses, meetings, correspondence and participation in community forums.

Tracking and resolving concerns

We use a structured issue-tracking process, as outlined in the Kami Engagement Plan, to document, categorize and respond to input from stakeholders and Indigenous groups. Comments and concerns—whether expressed in writing or verbally—are assessed based on their significance. Follow-ups are conducted through meetings and community engagement.

When possible, we work directly with affected parties to resolve issues or adjust the Project. This transparent, responsive approach helps ensure that the EIS reflects real community concerns and that mitigation strategies are informed by those most impacted.

Looking ahead

Our commitment to meaningful, respectful, and transparent engagement is ongoing. Through our structured engagement strategy, strong partnerships, and collaborative planning, we seek to create long-term benefits while minimizing impacts on communities and environments affected by the Project.

Assessment Summary and Conclusions

The Environmental Impact Statement (EIS) studied 32 valued environmental components (or VEC), chosen based on guidance from government, Indigenous groups, and the public. These VECs cover air, water, land, wildlife and community concerns—i.e.: air quality, fish habitat, wetlands, Indigenous land use, local economies, and community well-being.

The study examined the current state of each VEC, how past and present activities have affected them, and how the Project could impact them in the future during the construction, operation and closure phases. It also looked at cumulative effects—how this project might add to the impacts of existing or planned industrial developments in the area.

Next steps: environmental approval and permits

The Newfoundland and Labrador provincial process now begins:

- The Minister will send the EIS to a review committee.
- Within 7 days, the public will be invited to review the EIS and submit feedback within 50 days.
- The committee will then recommend whether the project can proceed or if more information is needed.
- A final decision will be announced publicly.

The project must also meet federal and provincial legal requirements and obtain various permits, including those related to:

- Fisheries and water management
- Species at risk
- Air pollution, waste, and chemicals
- Land use and forestry
- Occupational health and safety

We will work with municipal, provincial and federal government bodies to ensure it fully complies with federal and provincial regulations throughout the Project's lifespan.

Our commitment to engagement

We commit to ongoing, transparent, honest, and inclusive engagement with Indigenous communities, the public and government. We will regularly update its engagement plan to reflect feedback from communities, and to reflect developments in the Project. We aim to uphold values of pride, ingenuity, respect and transparency.

Final Statement

In 2024, high-purity iron ore was officially recognized as a critical mineral by the Government of Canada, and by the Provincial Governments of Newfoundland and Labrador and Québec. High-purity iron is a rare type of iron ore with a high concentration of iron containing the fewest impurities.

In Canada, and in particular the Labrador Trough, high-purity iron ore is produced with the lowest carbon intensity in the world thanks to hydroelectricity.

Using high-purity iron ore meets the purity required to eliminate the need for coal, thus reducing emissions in the steelmaking process by 50% and by up to 85% if using a clean fuel source like hydrogen. Therefore, the Project supports climate goals by significantly cutting emissions from the steel industry, which is solely responsible for nearly 10% of the world's greenhouse gas emissions.

The Project was originally proposed by Alderon, who obtained Newfoundland and Labrador's government approval in 2014, but never began construction. Since it took over the Project, Champion Iron has made major improvements that will maximize the project's benefits and reduce its environmental impacts. These measures include:

- Improved water management systems;
- A safer tailings facility; and
- Cleaner technologies in machinery, such as the in-pit crushing system.

The Project will generate some impacts during the construction, operation and closure phases, but effective mitigation measures will ensure they remain minimal or non-significant. No major impact was identified in the EIS.

On the other hand, the Project will bring major economic benefits to local communities, Indigenous communities, to the Province of Newfoundland and Labrador, and to Canada—and it will be built without Government subsidies. It will create jobs, stimulate business opportunities, and generate important tax and royalty revenues.

Champion is committed to developing the project responsibly, through transparent communication, strong environmental practices, and adaptive planning.

Finally, this project is an important step toward a lower-carbon steel production, while also offering clear social and economic value.