



Acquisition of Interests in the Kami Iron Ore Project in Canada and Master Agreement on Joint Venture Establishment

Nippon Steel Corporation (Nippon Steel) has announced its master agreement with Champion Iron Limited (CI) and Sojitz Corporation (Sojitz) to participate in the development of the Kamistiatasset Iron Ore Project (Kami Project), owned by CI, located in Canada's Newfoundland and Labrador (N&L), and under consideration for new development, along with the establishment of a joint venture for its development and operation.

1. Background and Purpose of the Acquisition of Interests and Establishment of the Joint Venture

(1) Securing iron ore interests for direct reduced iron that is essential to business strategies

Nippon Steel is promoting efforts toward achieving carbon neutrality through various approaches. In this process, high-quality scrap and direct reduced iron are necessary for the production of high-grade steel with large electric arc furnaces (EAFs).

The Kami Project, owned by CI, is an advanced-stage open-pit iron ore mining project in eastern Canada. It offers an opportunity to produce iron ore that is optimal for direct reduced iron (DR-grade) production of a high quality that is globally rare. Furthermore, the Kami Project has abundant resources that enable long-term supply of high-quality DR-grade iron ore.

To secure raw materials for the direct reduced iron necessary for our future EAF operations, we have decided to partner and collaborate with CI and Sojitz to develop the Kami Project and move forward with a feasibility study toward its development and operation.

(2) Enhancing consolidated earnings by securing high-grade raw material interests

In its Medium- to Long-Term Management Plan, Nippon Steel aims to become the best steelmaker with world-leading capabilities through profit growth in five business sectors—its domestic steel business, overseas steel business, raw material business, other group companies, and three non-steel companies.

Through this partnership, Nippon Steel will be able to secure a stable supply of necessary raw materials for steel manufacturing along with consolidating its share of the Kami Project. This will enable Nippon Steel to construct a solid consolidated earnings structure, even after the future process transition of some blast furnaces to EAFs, through expanded profitability from raw material interests.

Nippon Steel is boldly taking up the challenge to pioneer the development and practical application of cutting-edge technologies to achieve carbon neutrality ahead of other countries. Nippon Steel will continue to establish a solid business structure that spans from raw materials and manufacturing to distribution, while also enhancing its consolidated earnings level.

2. Overview of the Contribution, Investment Scheme, and DR-Grade Iron Ore Offtake Agreement

By the first half of 2025, Nippon Steel plans to enter into a joint venture agreement with CI and Sojitz to establish the Kami General Partnership (Kami GP). This agreement includes the contribution of cash in exchange for a portion of the interests in the Kami Project and entering an offtake rights agreement that ensures the long-term, stable procurement of DR-grade iron ore from the Kami Project. The joint venture agreement will define Nippon Steel's veto rights among other factors regarding important matters related to Kami GP.

The consideration for the interests (150 million Canadian dollars) will be paid in two installments. An initial payment of 42 million Canadian dollars will be made at the establishment of Kami GP and the transfer of interests (shortly after signing the Kami GP agreement), and the remaining 108 million Canadian dollars will be paid after the investment decision, based on the results of the feasibility study to be completed by the Kami GP.

Main Conditions for the Establishment of the Joint Venture Agreed Upon in this Agreement

interest ratio	30% ownership of the Kami Project
Type of acquisition	General Partnership
Kami GP investment structure	CI: 51% Nippon Steel: 30% Sojitz: 19%
Contribution amount (planned)	150 million Canadian dollars (approximately 16.2 billion yen)
Development costs (current estimated liability of Nippon Steel)	Approximately 1.16 billion Canadian dollars (approximately 130 billion yen)*

* The estimated amount to be covered by Nippon Steel by the project's completion if the investors agree to advance with development at the time of the investment decision. However, this depends on the results of the future feasibility study.

Overview of the Kami Project

Location	Newfoundland and Labrador, Canada
Construction period (planned)	48 months following the final investment decision
Production volume (planned)	9 million wet metric tons per year of DR quality iron ore at or above 67.5% Fe iron content
Mining method	Open-pit mining
Reserves	Approximately 600 million tons

Reference 1: Overview of CI

Name	Champion Iron Limited
Corporate domicile	91 Evans Street; Rozelle NSW 2039
Headquarters Location	1155 René-Lévesque Blvd. West Suite 3300 Montréal QC H3B 3X7
Representative	CEO, David Cataford
Business overview	High-purity iron ore producer and developer
Stock exchange listing	(TSX: CIA) (ASX: CIA) (OTCQX: CIAFF)

History	<p>2013: Creation of Champion Iron Limited under new leadership focused on developing iron ore projects in Canada’s Labrador Trough</p> <p>2016: Acquisition of the Bloom Lake mining complex in Québec, Canada</p> <p>2018: Recommissioning of the Bloom Lake mine, with a nameplate capacity of 7.4Mtpa at 66.2% Fe iron ore concentrate</p> <p>2021: Acquisition of the Kami project</p> <p>2022: Completion of Bloom Lake Phase II project, increasing nameplate capacity to 15Mtpa at 66.2% Fe iron ore concentrate</p> <p>2024: Completion of a pre-feasibility study on Kami</p> <p>2025: Expected completion of the DRPF project, upgrading half of Bloom Lake to a DR quality iron ore at up to 69% Fe iron content</p>
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Reference 2: Overview of Sojitz

Name	Sojitz Corporation
Headquarters Location	2-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo 100-8691
Representative	Representative Director, President & COO Kosuke Uemura
Business overview	Automobiles, aerospace and social infrastructure, energy and healthcare, metals/resources/recycling, chemicals, consumer goods and agribusiness, retail and customer services
Stock exchange listing	Tokyo Stock Exchange
History	<p>2003: Establishment of company</p> <p>(Established Nissho Iwai-Nichimen Holdings Corporation in 2003 to launch as the Sojitz Corporation in 2004)</p>

Please refer to the following websites for press releases from CI and Sojitz.

CI: [Press Releases \(championiron.com\)](https://championiron.com)

Sojitz: [News Room | Sojitz Corporation \(sojitz.com\)](https://sojitz.com)

For inquiries: <https://www.nipponsteel.com/contact/>