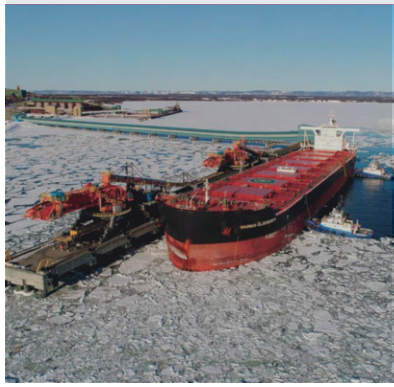
Modern Slavery Statement

2022

Financial year ended March 31, 2022







CHAMPION IRON

TABLE OF CONTENTS

About this Report 3

Our Structure, Business and Supply Chain 4

- Our Organizational Structure and Operations 4
- Our Policies and Governance 8
- Our Supply Chain 8

Identifying our Modern Slavery Risks 11

- Identifying our Operational Risks 11
- Identifying our Supply Chain Risks 12
- Identifying Risks Associated with COVID-19 16

Assessing and Addressing our Modern Slavery Risks 17

- Policies and Procedures 18
- Training 23
- Supplier Questionnaires 23
- Mitigating Risks of COVID-19 24

Assessing our Effectiveness 26

Consultation with Owned and Controlled Entities 27

Looking Forward 28

Other Information 29

- Important Notice Regarding Forward-Looking Information 29
- References 30





ABOUT THIS REPORT

This statement has been prepared by Champion Iron Limited (the "Company" or "Champion"), to meet the requirements of the Australian Modern Slavery Act 2018 (the "Act") for the financial year ending March 31, 2022 ("FY22"). This is a Modern Slavery Statement covering Champion Iron Limited, and its subsidiaries, including Quebec Iron Ore Inc. ("Quebec Iron Ore" or "QIO").

References to "modern slavery" in this document refer to the types of exploitation defined by the Act, namely anything that encompasses the trafficking of persons, slavery and the slave-like practices of servitude, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. All references to our, we, us, the Company and Champion refer to Champion Iron Limited (ABN 34 119 770 142) and Quebec Iron Ore (the "Reporting Entities"), as well as the group's non-reporting entity subsidiaries. All references to "year" refer to the financial year ended March 31, 2022 unless otherwise stated.

This constitutes our third Modern Slavery Statement and forms part of our annual reporting suite. All reports, as well as our previous modern slavery statements and more information on our approach to Human Rights, are available on our website at www.championiron.com. This Modern Slavery Statement captures the activities of Champion Iron Limited, Quebec Iron Ore, our subsidiaries and all entities owned and controlled by our Company.

Champion values its stakeholder relationships and welcomes feedback as part of our commitment to maintaining open and transparent communications. Please direct any questions you may have on this statement or requests for additional information to info@championiron.com.

This statement was approved by the Board of Directors of Champion Iron Limited on September 29, 2022.

(s) David Cataford

DAVID CATAFORD

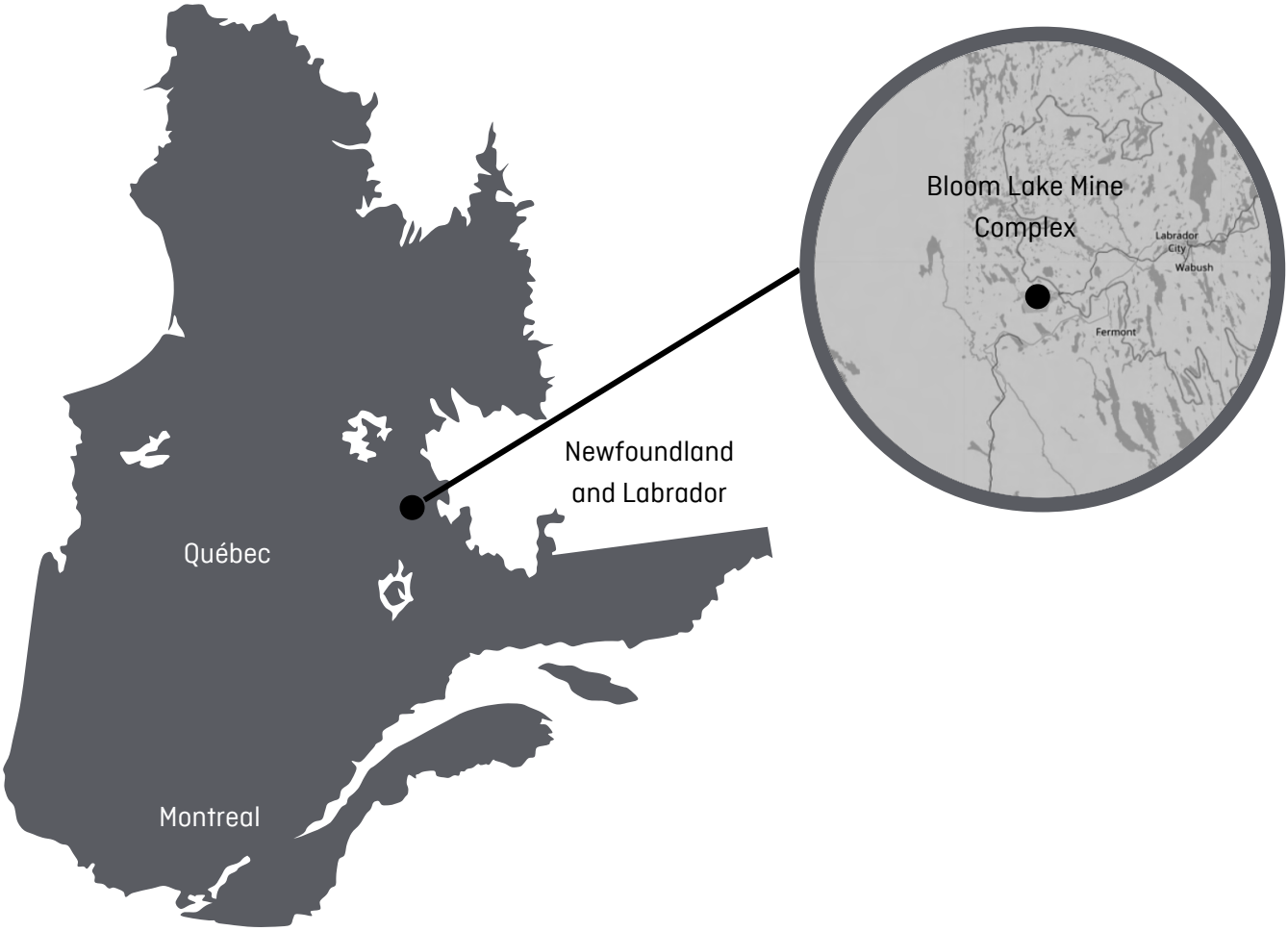
CHIEF EXECUTIVE OFFICER

OUR STRUCTURE, BUSINESS AND SUPPLY CHAIN

OUR ORGANIZATIONAL STRUCTURE AND OPERATIONS

Champion is an iron ore exploration and development company with major projects in the southern Labrador Trough, Canada's largest iron ore producing region. The Company was incorporated under the laws of Australia in 2006 and is listed on the Toronto Stock Exchange (TSX: CIA), the Australian Securities Exchange (ASX: CIA), and is available to trade on the OTCQX Best Market marketplace of the OTC Markets Group (OTCQX: CIAFF).

Champion is domiciled in Australia at 91 Evans St, Rozelle NSW, and its principal administrative office is located at 1100 Rene-Levesque Blvd West, Suite 610, Montréal, Québec, Canada. Through its 100%-owned subsidiary, Quebec Iron Ore, Champion owns and operates the Bloom Lake Mining Complex ("Bloom Lake'' or "Bloom Lake Mine''), located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec, adjacent to established iron ore producers.



Champion's Bloom Lake Phase I plant was commissioned in 2018 with a nameplate capacity of 7.4 million tonnes per annum of high-quality iron ore concentrate. With the completion of our Phase II expansion project in May 2022 at the Bloom Lake Mine, we expect to double our nameplate capacity to 15 million tonnes per annum. Our target customers are mainly steel producers. Champion's product is sold to 25 different customers globally. Our operations are illustrated through a visual representation of our value chain below.



FIGURE 1. CHAMPION IRON LIMITED VALUE CHAIN



Through its 100%-owned subsidiary Champion Iron Mines Limited, the Company also owns a portfolio of exploration and development projects in the Labrador Trough. On April 1, 2022, Champion completed the acquisition of the Kamistiatusset iron ore project (the "Kami Project").

During the reporting period, Champion also completed the acquisition of the Lac Lamêlée South property, a project located adjacent to the Company's existing development properties south of the Bloom Lake Mine.

As such, in addition to operating the Bloom Lake Mine, Champion controls further iron ore resources near the Bloom Lake Mine, which present attractive long-term growth opportunities for the Company.

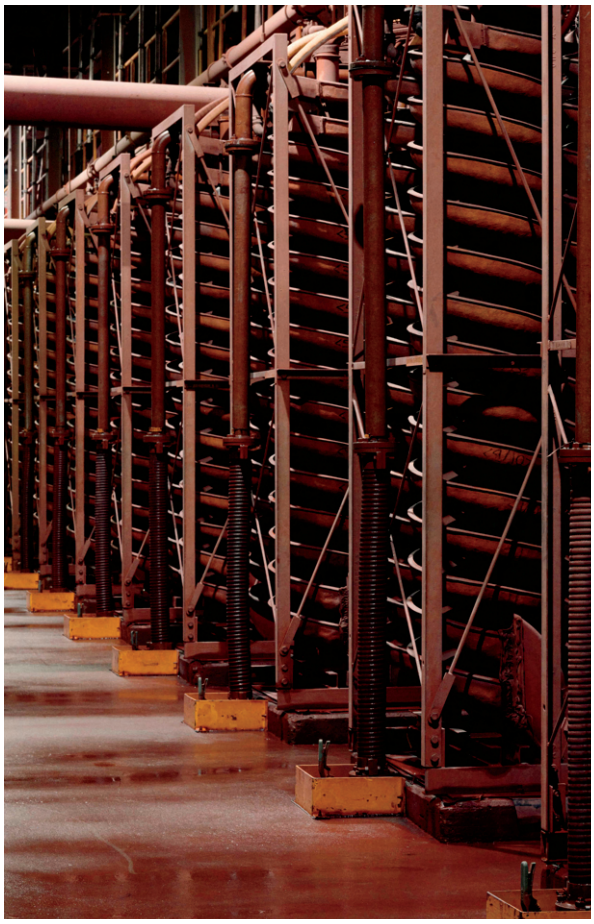
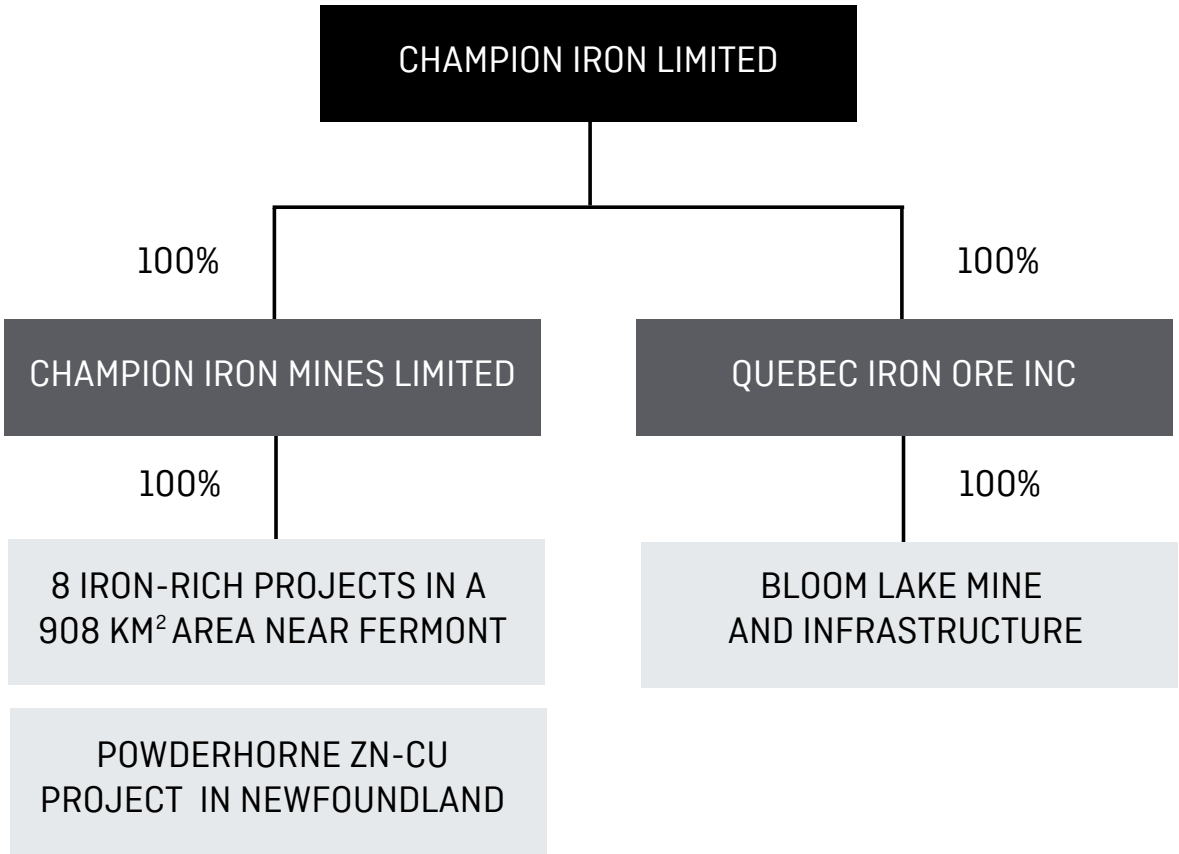


FIGURE 2. CHAMPION IRON LIMITED PARTIAL STRUCTURE AS OF 31 MARCH 2022









As of March 31, 2022, Champion employed 874 employees across Canada, including 837 permanent employees and 43 other collaborators (including non-permanent employees working on contract, interns and students). Not including other collaborators, there are 67 people employed at the Montreal administrative head office or remotely and 764 employed at the mine site. Approximately 96% of our workforce is employed on a permanent basis and 60% of our workforce is unionized. We also regularly engage contract workers at the mine, and during the reporting period, over 4,000 contract workers entered the site.

In addition to our economic activities, Champion seeks to make important contributions to local and Indigenous communities where we operate through both social investment and charitable engagement with local community organizations.

Our community investments are guided by an Impact and Benefits Agreement ("IBA") completed in 2017, which establishes and consolidates a strong constructive partnership with Indigenous partners and covers our projects located on the Québec portion of the Labrador Trough. Through our IBA commitments, Champion enables local communities to manage projects and programs that enhance socio-economic development and create benefits and lasting value that will continue even after the mine closes. Our IBA-related community investment spending totaled C$5.2 million in FY22.

OUR POLICIES AND GOVERNANCE

The Board of Champion is responsible for establishing and maintaining good corporate governance for the Champion group of companies, including on the subject of modern slavery.

The Board is also accountable for ensuring that all business practices are in accordance with the applicable law, regulations, and the group's Code of Conduct and applicable policies, including our Human Rights, Environment, Responsible Procurement, Occupational Health and Safety, and Prevention of Harassment and Discrimination at Work Policies.

This includes ensuring proper risk assessment systems are in place to mitigate the risk of modern slavery or human trafficking in Champion's business activities and business relationships.

OUR SUPPLY CHAIN

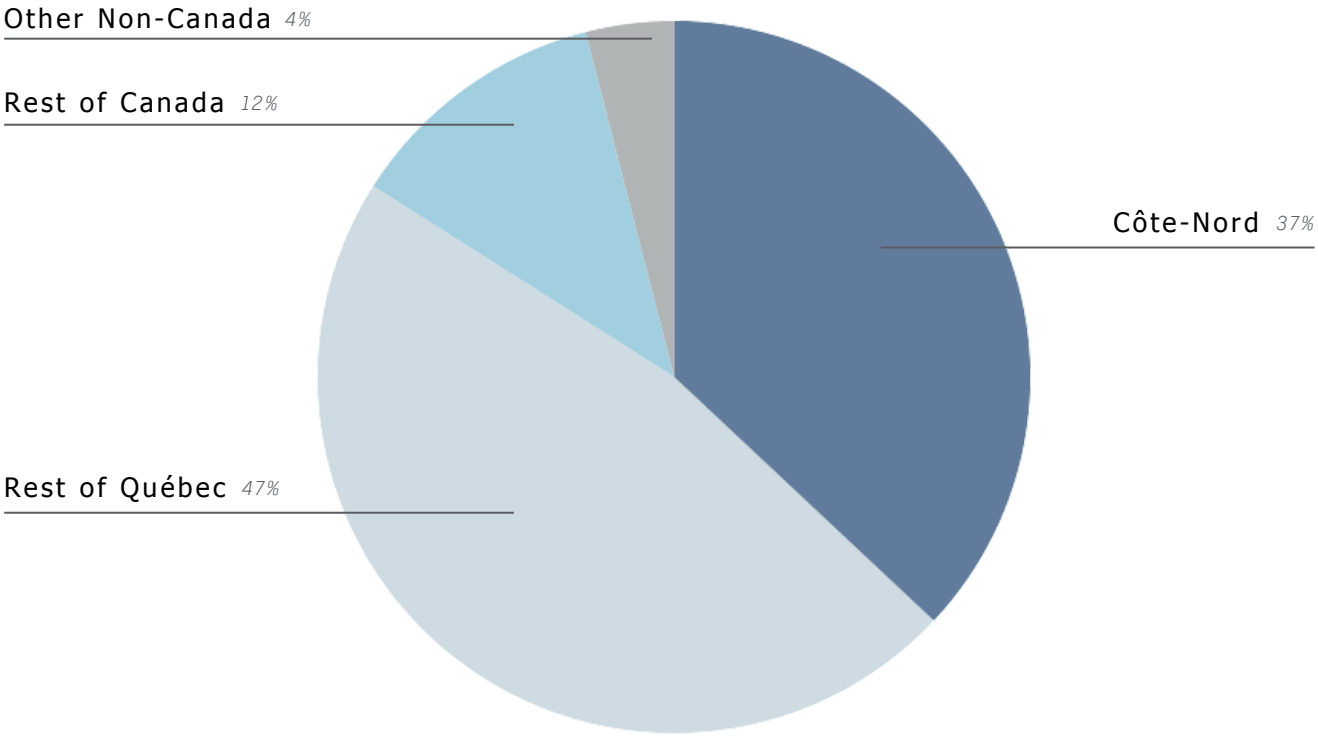
A diverse supply chain supports our business, providing goods, materials and services required at different stages of our value chain. The Company tends to maintain ongoing relationships with its largest and most significant suppliers as trusted partners that are key to our success.

The Company's industrial operations are supported by 1,050 Tier 1 registered suppliers, including 945 suppliers located in Canada, and 105 suppliers located abroad, representing C$1,058M of total spend.[1] This includes over 457 suppliers that have been supporting our Phase II expansion project at Bloom Lake during the reporting period. 96% of our Tier 1 annual spend, amounting to C$1,011M, is contracted to our Canadian suppliers located in Canada.

Much of our Canadian spend is within Québec. For example, our lead engineering firm is a Québec based company and most of our external advisory firms are also Québec based. In line with our aim to create economic opportunities in the region where we operate through the procurement of local products and services, during the reporting period, C$393M was contracted to companies with a local business unit in the Côte-Nord du Québec region where we operate the Bloom Lake Mine complex (Figure 3). Moreover, in an effort to support Indigenous businesses in our operating area, C$47.1M was procured from Indigenous suppliers.

[1]Our 2021 Modern Slavery Statement mistakenly reported 93 Tier 1 suppliers due to a clerical error. This should correctly have been reported as 1,445 Tier 1 suppliers.

FIGURE 3. CHAMPION'S TOTAL PROCUREMENT (INCLUDING CANADIAN AND NON-CANADIAN)

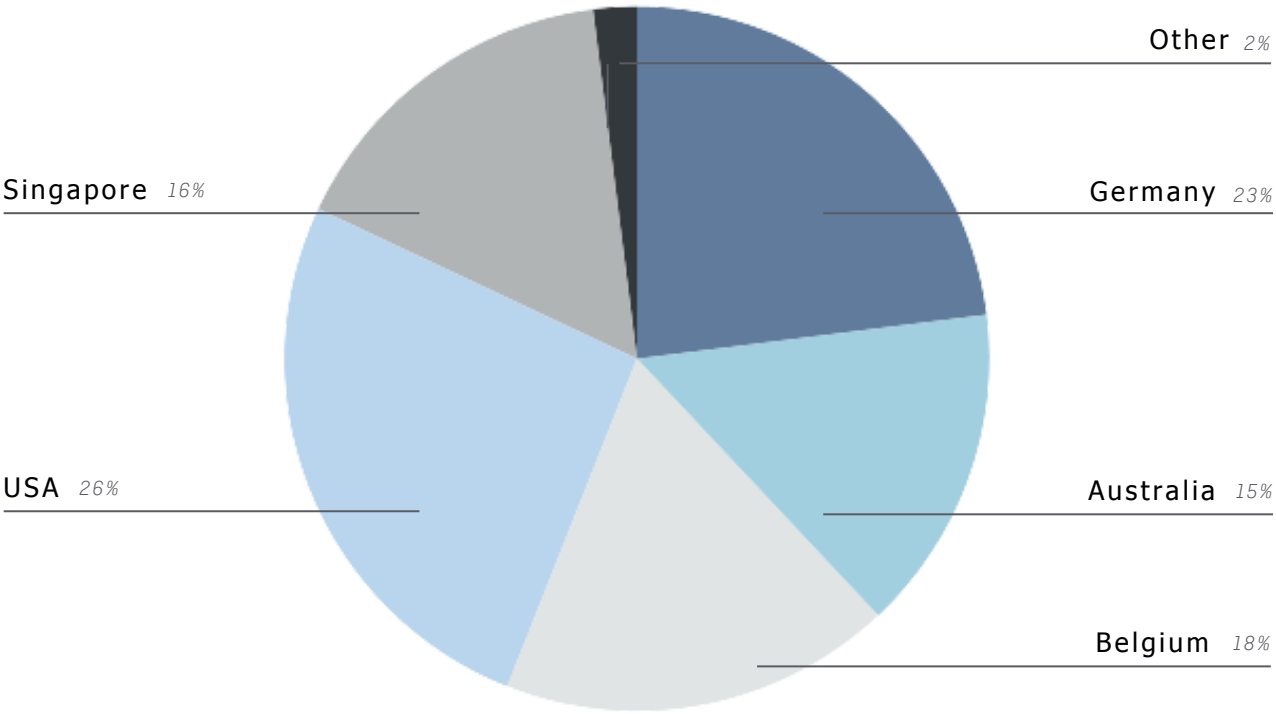


The remaining four percent of our annual Tier 1 direct expenditures represent our non-Canadian spend. Of this, 98% is primarily sourced from suppliers located in Germany, Australia, Belgium, the United States and Singapore, with just two percent of all non-Canadian spend coming from another 15 countries (Figure 4).

As part of a risk assessment during this reporting period, Champion sought to identify high-risk geographies and categories in relation to our operations and supply chain. The Company has recently begun the process of upgrading our procurement processes, which will include a detailed mapping of the supply chain, including all Tier 1 suppliers, to be completed during the next reporting period.



FIGURE 4. CHAMPION'S DIRECT SUPPLIER COUNTRY SOURCES (NON-CANADIAN)



Our direct supply chain costs for the reporting period consist primarily of expenditure supporting our mining operations, the Phase II expansion project and our exploration activities.

This includes transportation (land, air, rail and maritime), contract labour (e.g., maintenance, construction and drilling services), mining equipment and processing, spare parts, consumables and fuel, for our onsite operations.

The major change in our procurement expenditure and mix between the 2021 and 2022 financial year reporting periods is the significant construction expenditure for the Phase II expansion project at Bloom Lake.

Support for our activities not directly linked to mining gave rise to smaller expenditure categories, including support supplies such as travel, professional services (e.g., consultants and engineering), and cleaning and security.

IDENTIFYING OUR MODERN SLAVERY RISKS

IDENTIFYING OUR OPERATIONAL RISKS

Champion is headquartered in Australia, and Champion's single operational site and various exploration sites are all located in Canada, with our Canadian head office located in Montreal.

The vast majority of our labour force employed, contracted and subcontracted, are employed and protected under Canadian and Québec employment laws, with which the Company complies. Canada is one of few countries that have enacted labour laws that protect all workers across all sectors, including informal sectors.

Although the global mining industry is considered high risk for instances of modern slavery, because Champion's mining operations are in Canada, our social and political operating contexts are considered to present minimal modern slavery risks. According to the Global Slavery Index, Canada has both a very low prevalence of, and vulnerability to, modern slavery.

The isolated nature of work associated with fly-in-fly-out ("FIFO") operations has been identified as possibly increasing risks of modern slavery within the global mining industry.

While there is a high percentage of FIFO workers within Champion's operations, our FIFO schedule is comparable to regional peers. Our employees and contractors working on site are provided with housing and access to recreational facilities and are not required to remain on site outside of working hours.

All of our social investment activities, including our local community investment initiatives guided by our IBA agreement, and our charitable contributions, are undertaken in Canada. As such, Champion assesses our risk of causing, contributing or being directly linked to instances of modern slavery in such activities as also being minimal. Nonetheless, as our growth continues, we will re-evaluate risks related to human rights as needed.



IDENTIFYING OUR SUPPLY CHAIN RISKS

Our Responsible Procurement Policy guides all procurement practices undertaken by Champion and our controlled subsidiaries. Nonetheless, the Company recognizes the risks of modern slavery within our supply chain, in particular from suppliers outside of Canada. Although such sourcing represented only four percent of our total Tier 1 annual purchases during the FY22 reporting year, we use external references and publications, such as the Global Slavery Index, to identify and better understand any risks associated with modern slavery in the countries that directly provide Champion with goods and services. The Global Slavery Index categorizes the supplier countries representing 98% of our non-Canadian spend - the United States, Germany, Belgium, Singapore and Australia - as all having low risks of modern slavery.

No modern slavery practices were identified or reported within our operations or our supply chain during the reporting period. The Australian Council of Superannuation Investors lists sector-specific high-risk product and service categories, including cleaning, security, maintenance, labour hire/contract labour, logistics/transport, IT hardware and consumables/materials.

Drawing upon such sources, Champion identified the product and service categories that are most likely to be linked to modern slavery in our context, which therefore need to be considered as potentially high-risk (Figure 5). The product and service categories identified as presenting the potential for us to cause, contribute or be directly linked to modern slavery are also among those that represent a large proportion of our Tier 1 suppliers:

- Construction (38%)
- Transportation (16%)
- Contract labour (16%)



Although these product and service categories are considered potentially high risk in a global context, given that our operations are in Québec, Canada, the potential for us to cause, contribute, or be directly linked to modern slavery is mitigated by the provincial and federal laws that regulate the construction and transportation industries, and the employment laws governing the hiring of contract labour.

FIGURE 5. CHAMPION'S SECTOR ANALYSIS OF TIER 1 SUPPLIERS

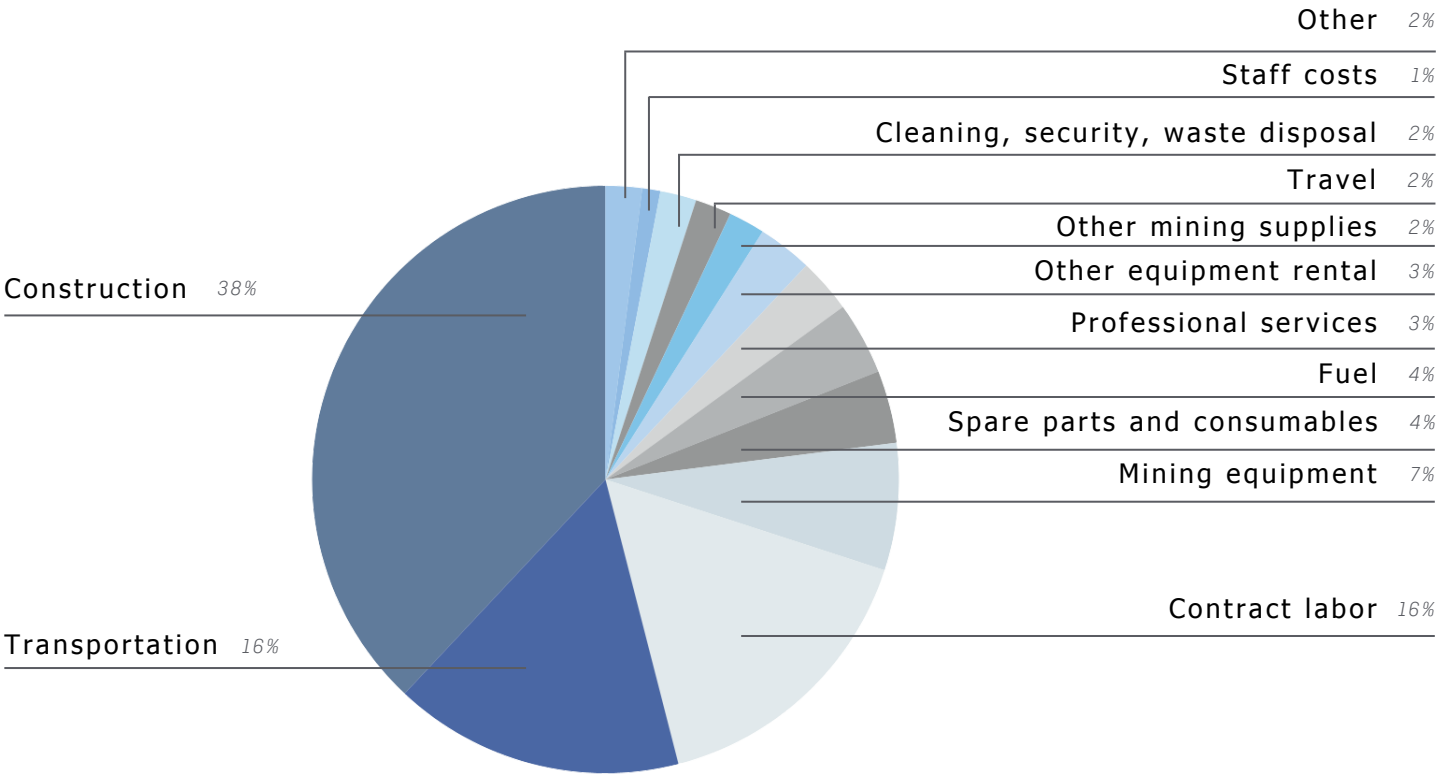
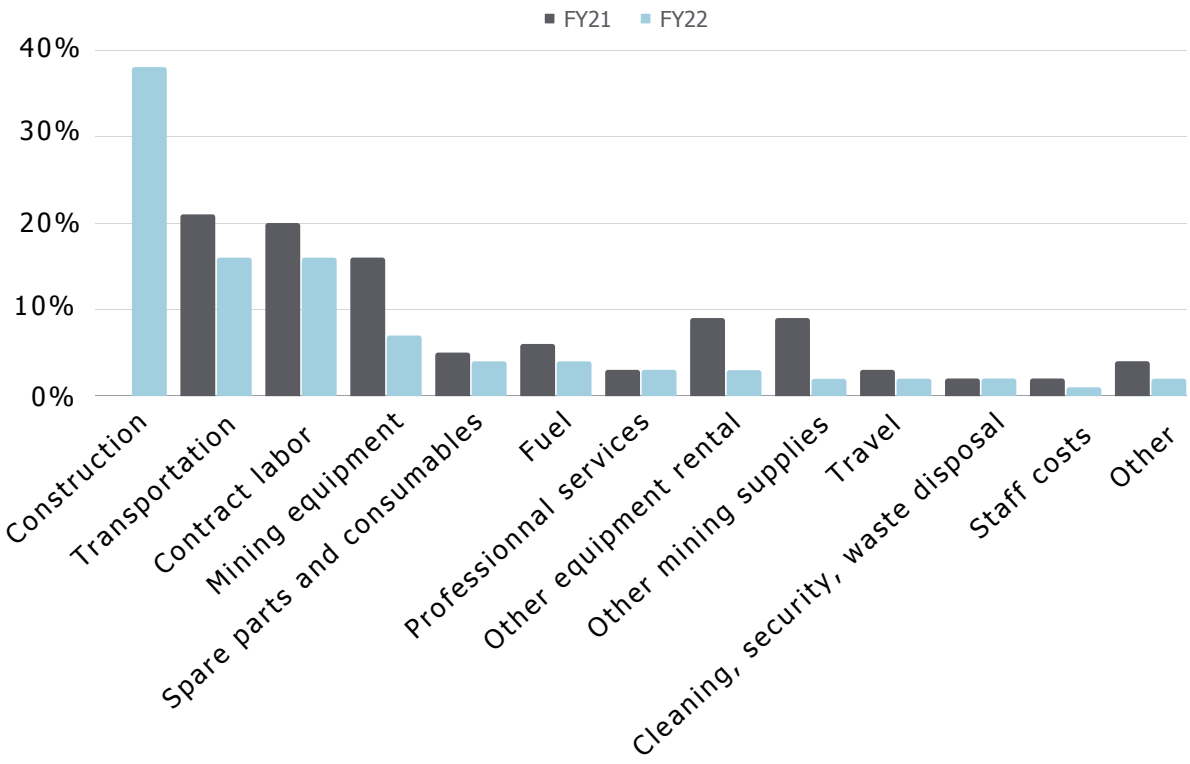


FIGURE 6. CHANGE IN PROCUREMENT CATEGORIES BETWEEN REPORTING PERIODS

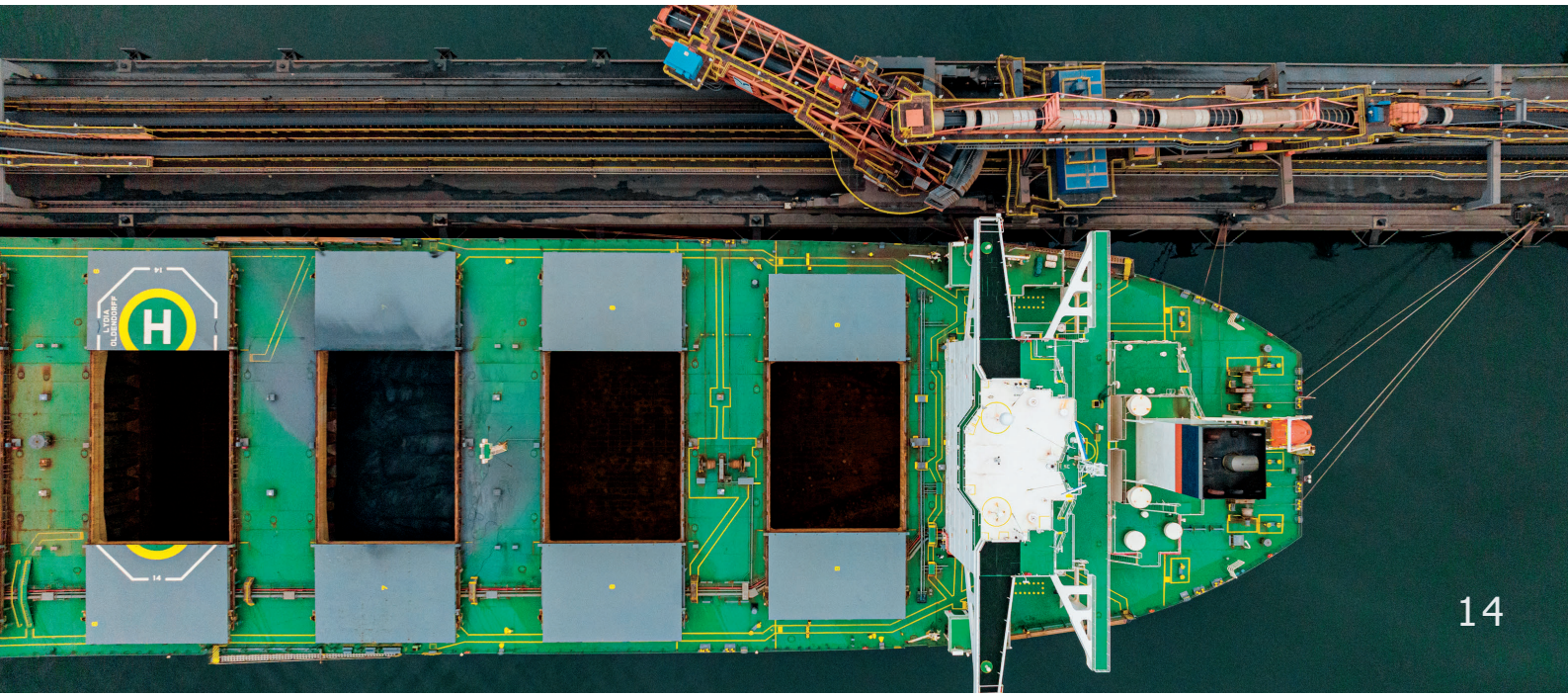


All hiring of contract employees is governed by Québec and Canadian labour laws. Construction workers formed the largest portion of the Company's contract labour force during the reporting period. All contract workers, including temporary contracted workers and employees of on-site contractors who are engaged in construction, are unionized, as is required by law in Québec. In addition, employees of Champion's largest facilities management subcontractor are also unionized.

In addition to the Responsible Procurement Policy, suppliers providing contract labour are required to comply with QIO's operational health and safety policies and procedures and are included in related internal audits. Further, they are encouraged to develop and employ policies similar to Champion's Code of Conduct, as well as our Human Rights Policy, which was developed in line with the UN Guiding Principles of Business and Human Rights. As part of our dedication to continuous improvement, we are currently updating our procurement and vendor management practices, as well as tender processes, to better ensure that subcontractors have appropriate systems in place to address these concerns.

Our product transportation costs primarily include land and rail transportation, as well as some maritime shipping. Land and rail transportation have a recognized lower risk of modern slavery compared to maritime transport. The rail transport companies we engage also currently have a collective agreement in place governing their engagement with their workforce.

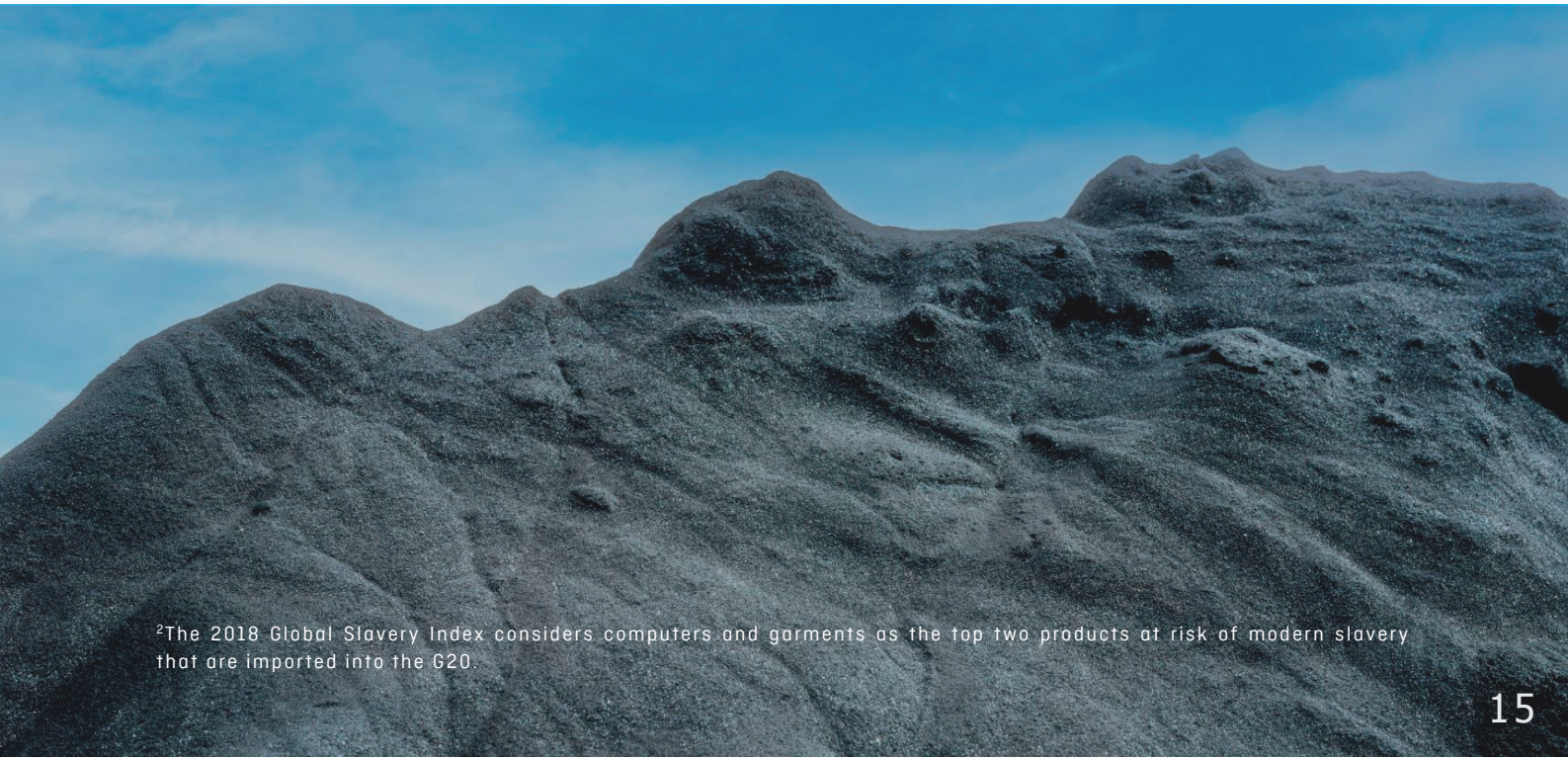
As the international shipping industry is challenging for regulators to oversee, sea freight, which is utilized to transport most of our overseas exports, is recognized as having a heightened risk of exploitative labour practices. These include poor living and working conditions, remuneration below minimum wage, withholding of crew wages, lack of access to grievance mechanisms and the right to freedom of association.



We strive to mitigate these risks within our supply chain by seeking to partner with companies committed to protecting the wellbeing of their employees. For example, the employees of the operator responsible for transporting the largest portion of our ore are part of a union that is a member of the International Transport Workers' Federation (ITF). The ITF Seafarers Association specifically works to protect the employment, legal, trade union and human rights of seafarers.

Our transportation costs also include charter flights provided by the largest airline carrier for specialized commercial charter flights in Canada. As a "United Nations Approved Carrier", it is aligned with the United Nations Supplier Code of Conduct, which has explicit provisions for freedom of association and collective bargaining, forced or compulsory labour, child labour, discrimination, wages, working hours and other conditions, and health and safety.

Tier 2 suppliers, an analysis of which has not yet been undertaken, may present a risk for modern slavery. Upstream manufacturing processes or third-party raw material sourcing by our suppliers could occur in countries with less stringent government oversight and due diligence processes than Australia or Canada, or where the complexity of supply chains makes visibility beyond Tier 1 challenging. Examples of products used that could fall into this category include garments (such as protective personal equipment and uniforms and the raw materials used to make them), electronics components, technology and hardware (including computers and mobile phones which may contain conflict minerals),[2] and rubber products (including tires, conveyor belts and rubber gloves, the rubber for which is sourced from third party suppliers, where child or forced labour are a risk).



[2]The 2018 Global Slavery Index considers computers and garments as the top two products at risk of modern slavery that are imported into the G20.

IDENTIFYING RISKS ASSOCIATED WITH COVID-19

During the reporting period, the COVID-19 pandemic continued to impact the global economy, creating significant economic uncertainty. Factory shutdowns and changes to supply chains contributed to job losses and pushed millions into poverty, increasing their vulnerability to modern slavery. In particular, modern slavery risks have become heightened amongst migrant workers and in sectors where demand has surged due to the pandemic, such as personal protective equipment and medical supplies.



Drawing on guidance provided by Australian Department of Home Affairs regarding the effects of the pandemic on modern slavery risks, Champion's risk assessment also specifically took into account how COVID-19 has impacted or changed risks related to modern slavery. As part of the analysis of our supply chain during the reporting period, Champion did not identify any significant changes to the supply chain caused by the pandemic, with the exception of purchasing personal protective equipment. There were also no significant changes to our purchasing practices. The analysis did not reveal that the noted changes increased our exposure to modern slavery risks.



ASSESSING AND ADDRESSING OUR MODERN SLAVERY RISKS

At Champion, respecting human rights is central to our efforts to contribute meaningful and ongoing social value to our stakeholders. We expect the businesses we work with to make a similar commitment and to respect human rights throughout their supply chain. The Company believes that it has a responsibility to work collaboratively with workers, suppliers, customers, communities, Indigenous partners and external stakeholders, to increase our understanding of modern slavery risks and the role Champion can play in managing them. We strive to identify, assess and manage risks, including human rights risks, throughout our value chain. Champion maintains a risk register of the highest perceived risks.

During the reporting period, the Company was squarely focused on protecting our workers' health and wellbeing amidst the ongoing COVID-19 pandemic and our Phase II expansion project. This made it challenging for the Company to make progress on some of our modern slavery risk mitigation goals. However, following this chapter, we are turning our sights to further maturing our capacity to assess and mitigate modern slavery risks within our workforce and operations.

Champion undertook a modern slavery risk assessment during the reporting period, building upon our previous initial human rights impact self-assessment, which was guided by the *United Nations Guiding Principles Reporting Framework* and covered 32 internationally recognized human rights. The risk assessment drew on best practices and intergovernmental resources for the mining industry, exploring sector and industry risks, product and service risks, geographic risks and business model risks. Further, it explored whether these risks were of the Company's causing, contributing to, or being directly linked to modern slavery risks.

As is common in the extractives sector, the assessment revealed that the areas of greatest modern slavery risk are within the supply chain, where we have less visibility and direct control. This includes topics such as low visibility on worker access to grievance mechanisms beyond the mine site, and sourcing, in particular the manufacturing of Champion's purchases and imported products. The assessment also highlighted the mitigating value of aspects such as strong labour laws, unions, workplace policies and prioritizing of local procurement. One of the key opportunities we identified was to build greater awareness amongst our people and our contractors on the topic of human rights.

Champion sought to refine the implementation of targeted policies such as the Responsible Procurement Policy during the reporting period, including continually improving and expanding our training internally to ensure our people are sensitive to human rights related risks. As part of the Company's efforts, we also focused on strengthening our existing partnerships to better mitigate the risks of human rights impacts.

As part of our continuous improvement efforts, and in order to better track the implementation of our relevant policies, we are currently working with an internationally reputable consulting firm to upgrade our procurement processes to more effectively take into account human rights considerations and modern slavery risks. This includes revising tender documentation to include clauses regarding modern slavery. Operational procedures are also being updated to better track implementation of the Responsible Procurement Policy.

Champion recognizes that companies can contribute to modern slavery through their procurement practices by prioritizing cost reductions in tender and vendor selection processes, which can inadvertently make a supplier and contractor workforce more vulnerable. Though our tender processes do prioritize cost, Champion also places high importance and weighting on quality, support, occupational health and safety history, and whether suppliers are local and Indigenous owned (Innu Takuaikan Uashat Mak Mani-Utenam).

POLICIES AND PROCEDURES



Champion has a suite of policies and procedures to ensure that the Company is consistently addressing modern slavery risks throughout our business, in our operations and supply chain.

Champion’s policies and procedures relating to human rights and modern slavery apply to all subsidiaries that are part of the group and are highlighted below.

CODE OF CONDUCT

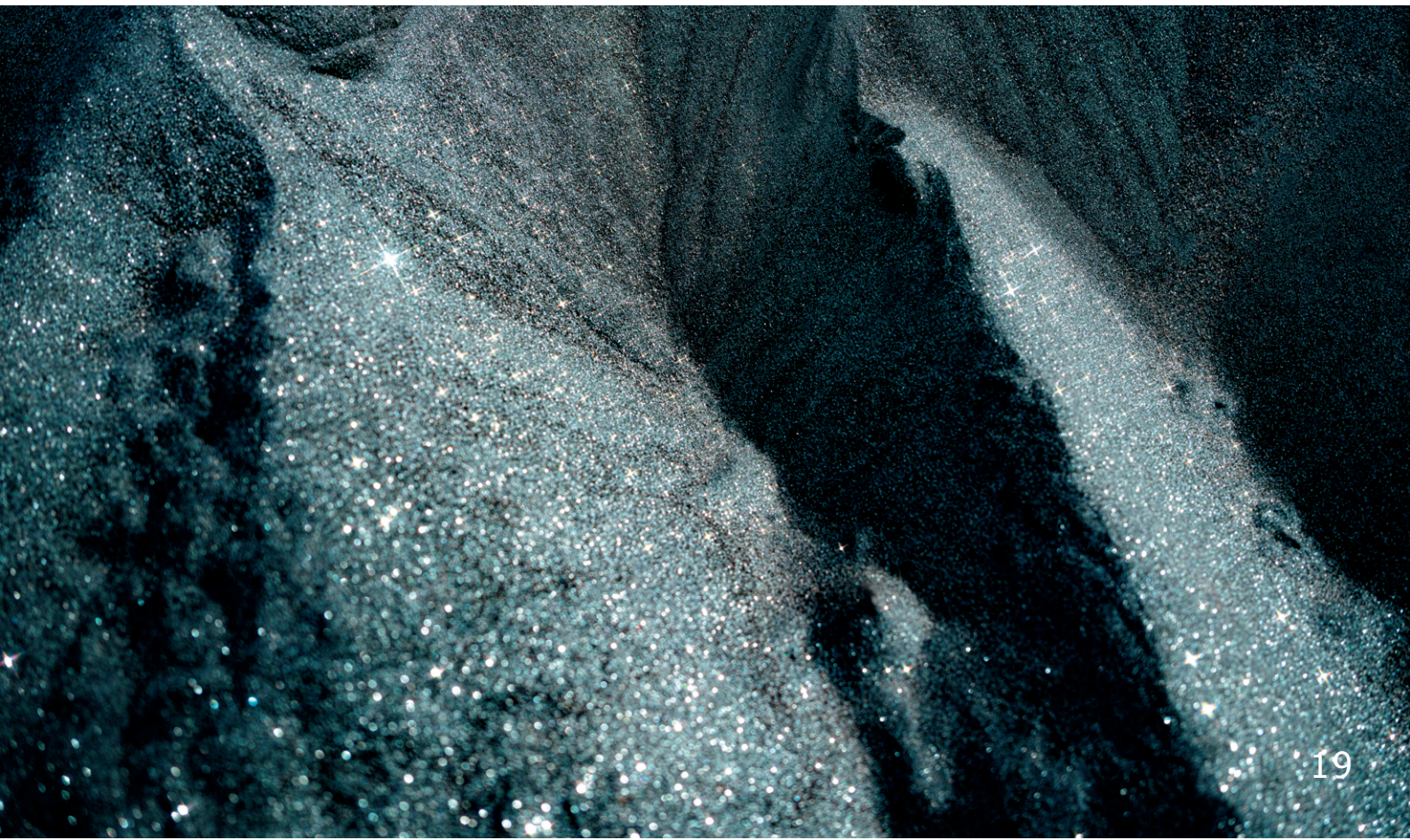
The Code of Conduct (the "Code") outlines our commitment to respect and protect human rights throughout our operations. All employees are required to complete an online training certification of the Code after being hired. Management and employees also receive human rights training in parallel with the Code training, following the start of their employment with Champion and its controlled entities.

All employees are required to recertify, including a mandatory test, every year in which they are working for Champion and its controlled entities. In addition, employees are annually asked to confirm electronically their commitment to abide by the Code.

HUMAN RIGHTS POLICY

Rooted in the *United Nations Guiding Principles on Business and Human Rights,* the *International Bill of Human Rights* and the *International Labour Organization ("ILO") Core Conventions,* the Human Rights Policy aligns our occupational health and safety procedures with human rights principles and ensures that no one is forced to perform work in unsafe conditions. It also establishes clear prohibitions of the use of all forms of modern slavery within our operations and the operations of our suppliers.

The Human Rights Policy has been implemented in line with *ILO Conventions 29, 138 and 182.* In the event that Champion causes or contributes to adverse human rights impacts, the Company is committed to contributing to appropriate remedies.



In our work with our suppliers, Champion encourages them to adopt similar policies respecting human rights. The topic of human rights is included in our tender documentation, and we also aim to bring attention to human rights through our Supplier Questionnaire, which was piloted during the reporting period and which is intended for rollout to all new suppliers. Champion also aims to implement gap assessments and audit processes in the future.

RESPONSIBLE PROCUREMENT POLICY

Champion does not tolerate nor facilitate any form of modern slavery. Our Responsible Procurement Policy promotes the respect for human rights within the Company's supply chain. This policy aims to provide guidelines fostering sustainable development in the purchasing, leasing and contract award practices of the Company.

Champion recognizes that its activities may impact human rights within its supply chain, especially internationally. However, we have zero-tolerance for any modern slavery from our suppliers and are committed to avoiding being complicit in or facilitating all forms of human rights violations in our supply chain.

Suppliers are required not to engage in any form or practice of modern slavery as described in Australia's *Modern Slavery Act 2018,* and in compliance with the *ILO Forced Labour Convention (No. 29).*

The Responsible Procurement Policy states that no work or service is to be exacted from any person under threat of punishment and that no individuals must be forced to perform any work or service against their will. The policy also explicitly prohibits any engagement in human trafficking.



WHISTLEBLOWER POLICY

This policy establishes procedures for the confidential and anonymous submission, receipt, retention and treatment of complaints or concerns. Whistleblower concerns are handled through a third-party reporting system provided by Deloitte. Individuals can also report incidents directly to Steve Boucratie, Senior Vice President, General Counsel and Corporate Secretary of the Company.

Concerns or reports regarding accounting matters can be reported directly to the Chair of the Audit Committee. The Whistleblower Policy specifically prohibits any retaliation against individuals who make a report of known or suspected violations in good faith.

PREVENTION OF HARASSMENT AND DISCRIMINATION IN THE WORKPLACE

Champion does not tolerate any form of harassment or discrimination towards or between its employees, contractors and subcontractors and is dedicated to preventing and stopping any form of psychological or sexual harassment, including any form of discriminatory harassment. The Prevention of Harassment and Discrimination in the Workplace Policy also establishes principles that must be followed when harassment complaints are reported or filed with a Company representative. We encourage all subcontractors employed by the Company to adopt a similar policy for their workforce.

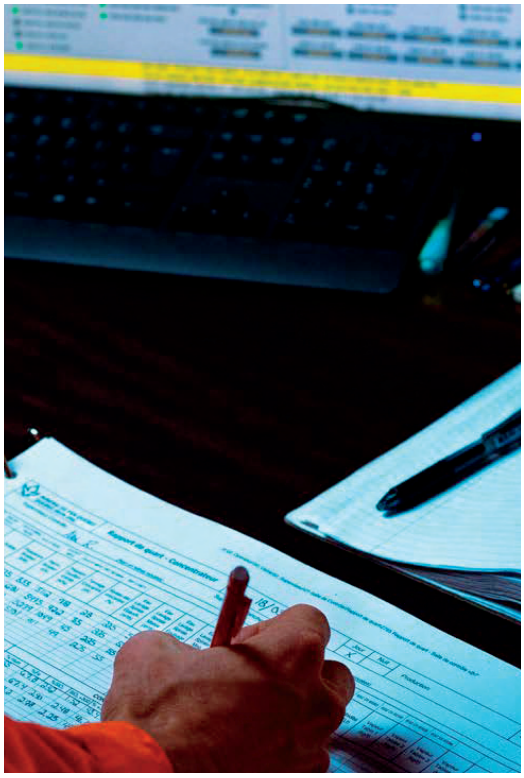
The Company also encourages anyone, including subcontractors and their employees, to report any instances of harassment or discrimination they may witness to the Whistleblower hotline.

GRIEVANCE MECHANISMS

All and any employees can report an issue in which human rights appear to have been violated to their immediate supervisor, a representative of Human Resources, their Union representative or a designated independent third party, without fear of reprisals, if the report is made in good faith. Champion is committed to addressing and remedying human rights violations within its operations.

We enhanced our operational community feedback mechanism during the year to strengthen our human rights management approach and to broaden the channels for receiving crucial feedback about our business activities. The mechanism now includes access via our Company website in both English and French.

This allows members of host communities to remotely lodge complaints and share concerns with our management team, including the option of doing so anonymously. A dedicated email address for this purpose is consistently monitored, and a responsible manager is charged with monitoring each complaint until a resolution is achieved.



FLEXIBLE WORK POLICY

With the goal of providing our employees with a work environment that is safe, healthy, productive and efficient, during the reporting period, Champion implemented a policy designed to facilitate remote work.

The policy aims to establish procedures for setting flexible schedules and establishing a flexible work environment. The policy also defines dress codes and establishes managerial oversight responsibilities.

All of these documents are publicly available with the exception of the Employee Grievance Mechanism and the Flexible Work Policy, which have been developed as internal mechanisms.

The Code of Conduct, the Human Rights Policy, the Responsible Procurement Policy, the Prevention of Harassment and Discrimination in the Workplace Policy and the Whistleblower Policy can all be viewed on our website at www.championiron.com.









TRAINING

The Code of Conduct training is required for all new employees. Since the Code of Conduct requires all employees and third parties providing us with goods or services to respect human rights, the training includes content on human rights and discrimination. All employees are required to renew Code of Conduct training annually, including completing a mandatory test. This process is designed to ensure compliance and consistent understanding of human rights and related policies throughout the Company's workforce.



SUPPLIER QUESTIONNAIRES

During the reporting period, we began piloting a supplier questionnaire to use in internal auditing processes. The questionnaire considers whether suppliers have processes in place to guarantee the respect of human rights, including prohibitions against forced labour and child labour, as well as specific labour rights such as minimum wage, working hours and personal protective equipment.

It also examines whether companies have risk assessments and KPIs in place, whether they operate in any high-risk operating jurisdictions (e.g. conflict zones, certain developing countries) or if they apply any Fair-Trade or similar considerations in their own purchasing processes.

Champion received positive feedback from suppliers who engaged in the pilot process, and the Company is planning to implement the questionnaire more widely in the future as it works to develop the internal capacity needed to employ this tool.



MITIGATING RISKS OF COVID-19

During the reporting period, Champion sought to better understand potential new modern slavery risks associated with our operations and supply chain, in the context of the COVID-19 pandemic. Our risk assessment and management approach in this respect drew on both ongoing experience as well as external resources, such as an industry guide from the Minerals Council of Australia and Pillar Two, focused on helping mining companies to identify and manage modern slavery risks associated with the COVID-19 pandemic.



Since the beginning of the pandemic, the Company has consistently and proactively deployed measures to protect its workforce and mitigate risks related to COVID-19, in line with or exceeding the Government of Québec's (the "Government") guidelines. These measures included:

- Operation of a rapid-testing COVID-19 laboratory using technology approved and certified by Health Canada at the mine site, allowing the Company to screen all employees and contractors in order to prevent outbreaks;
- Establishment of an executive committee to monitor and adapt to the ongoing challenges created by COVID-19;
- Adaptation of work environments and implementation of safety rules and protocols;
- Disinfection stations across the mine site and adoption of social distancing protocols;
- Additional transportation capacity to allow for adequate social distancing;
- Employees' contact register to trace potential infections and to launch disease protocol for suspected cases;
- Operation of a contingency plan for each sector of business activity in the event of multiple COVID-19 detections;
- Prior to Québec's vaccination campaign, screening of employees and contractors travelling and entering the Bloom Lake Mine site, as well as exit screening for employees living in local communities;



- Following Québec's vaccination campaign, screening of any workers not adequately vaccinated, as well as any individuals exhibiting symptoms;

- Prompt and rigorous management of any positive test cases to prevent an outbreak at the site;

- Open communication with suppliers, including mandatory information sessions for new contractors and employees and ongoing communication of updated measures. Contractors were required to respect all COVID-19 measures adopted on site;

- Monitoring of COVID-19 related measures adopted by contractors;

- Monthly and daily audits to review the effectiveness of the Company's adopted measures;

- Collaboration with other mining companies in the Québec Côte-Nord region and the Public Health Ministry to support a vaccination centre in Sept-Îles; and

- Establishment of a telemedicine service for all employees and their families to further support for wellbeing, especially in the context of required isolation during the pandemic; this also included a virtual program of both live and pre-recorded training and fitness sessions.

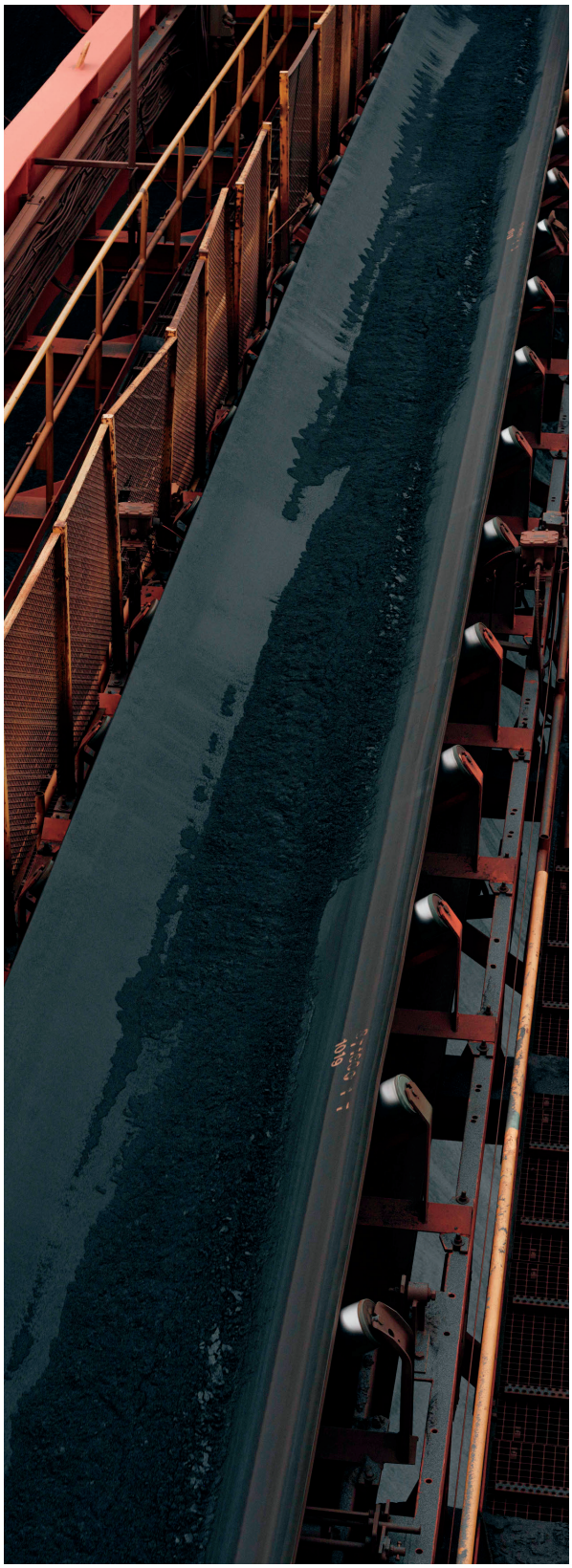
During the reporting period, there were no workforce changes or work stoppages related to COVID-19. Certain facilities, including the on-site gym, were closed for parts of the year to limit interactions between employees and to reduce the risk of outbreaks.

ASSESSING OUR EFFECTIVENESS

This is our third Modern Slavery Statement. Champion believes that it is adopting and maturing risk management practices that are commensurate with the level of modern slavery risk associated with our business activities. We believe the Company and its controlled entities are addressing our modern slavery risks in line with industry and government standards and are meeting the expectations of our stakeholders.

In future years, we will continue to assess our performance, and that of our controlled entities, through both existing and new measures such as the Responsible Procurement Policy, human rights training, supplier questionnaires and due diligence, improved grievance mechanisms and gap assessments, as detailed in the Looking Forward section.





CONSULTATION WITH OWNED AND CONTROLLED ENTITIES

Champion developed this Modern Slavery Statement in consultation with its operating subsidiary, Quebec Iron Ore, also a reporting entity for the purposes of this statement. Champion consulted with key areas of our business to prepare this statement, including Legal, Procurement and Human Resources. These teams operate across all business functions for both Champion and Quebec Iron Ore. The Senior Leadership members for both entities also reviewed this statement. The signatory of this statement, Mr. David Cataford, is the Chief Executive Officer and a Director of Champion as well as the Chief Executive Officer and a Director of Quebec Iron Ore and all controlled entities for Champion and its subsidiaries, including Quebec Iron Ore.









LOOKING FORWARD

Champion strives to work with our stakeholders to ensure that no individual is subjected to modern slavery from our operations or within our supply chain. During the coming period, and as part of our commitment to continuous improvement, we will continue to work towards commitments identified in our 2021 Modern Slavery Statement, in addition to several new commitments. Overall, these efforts seek to further identify, assess, address and remedy our modern slavery and human rights risks and are listed below:

SUPPLIER ENGAGEMENT

- Continue to implement and monitor the effectiveness of our Responsible Procurement Policy;
- Continue the updating of our procurement processes to better track implementation of the Responsible Procurement Policy;
- Finalize and implement the new supplier self-assessment questionnaires for all new Quebec Iron Ore supplier contracts, and review them annually;
- Continue to integrate human rights and modern slavery provisions in vendor pre-qualification and/or onboarding processes; and
- Revise our Responsible Procurement Policy and create a Supplier Code of Conduct.

TRAINING

- Build internal capacity by implementing additional employee human rights training in accordance with international human rights standards to strengthen the Company's risk and impact identification and mitigation.

RISK ASSESSMENT AND MANAGEMENT

- Undertake a gap assessment of our modern slavery approach, policies and processes against industry leading practice and stakeholder expectations; and
- Continue to assess the risks and performance of Tier 1 suppliers identified as high risk, including through annual supplier risk assessment.

DUE DILIGENCE

- Conduct annual review of our modern slavery risk assessment; and
- Mature our supplier due diligence and internal audit processes to better identify, prevent and mitigate modern slavery risks.

IMPORTANT NOTICE REGARDING FORWARD-LOOKING INFORMATION

This document includes certain information and statements that may constitute "forward-looking information" under applicable Canadian and Australian securities legislation. All statements other than statements of historical facts included in this document that address future events, developments or performance that Champion expects to occur, including expectations regarding (i) the completion of the current expansion project at the Bloom Lake Mine; (ii) Champion's future production capacity; (iii) the risk of causing, contributing or being directly linked to instances of modern slavery; (iv) the Company's commitments and objectives related to modern slavery and human rights risks and implementation of related initiatives; (v) the result of Champion's efforts on further identifying, assessing, addressing and remedying our modern slavery and human rights risks through our initiatives; (vi) the Company's sustainability objectives, social matters and governance, implementation of related initiatives and results thereof; (vii) creating stakeholder value; and (viii) the Company's growth and opportunities generally. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "aims", "targets" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved.

Although Champion believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of the Company, which may cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause the actual results to differ materially from those expressed in forward-looking statements include those factors discussed in the section entitled "Risk Factors" of the Company's 2022 Annual Information Form and the Management's Discussion and Analysis for the financial year ended March 31, 2022, all of which are available on SEDAR at www.sedar.com, the ASX at www.asx.com.au and the Company's website at www.championiron.com. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information.

All of Champion's forward-looking information contained in this document is given as of the date hereof and is based upon the opinions and estimates of Champion's Management and information available to Management as at the date hereof. Champion disclaims any intention or obligation to update or revise any of its forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

Champion cautions that the aforementioned list of risks and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. The forward-looking statements contained herein are made as of the date hereof or such other date or dates specified in such statements.

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