

Modern Slavery Statement

Fiscal Year Ended March 31, 2020

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CHAMPION IRON 



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View from the CEO



We recognize that the way we do business is just as important as our business itself, and we believe that producing a high-grade iron concentrate in a responsible manner is vital.

Respecting human rights and minimizing social inequities is essential for our business and its shareholders as well as for communities.

We have zero tolerance for any form of modern slavery, including forced,

compulsory or child labour. We are committed to preventing the occurrence of modern slavery and human trafficking in our assets and supply chains, regardless of their locations.

This statement has been approved for publication by the Board of Directors of Champion Iron Limited on January 28, 2021.

David Cataford
CEO and Director, Champion Iron Limited
CEO and Director, Quebec Iron Ore Inc.

About this statement

In December 2018, the Australian Federal Government passed the Modern Slavery Act 2018 (Cwth) (MSA) (the “Act”). As part of its long-term vision to create a sustainable and innovative business that aims at minimizing social inequities and impacts on the natural environment, Champion Iron Limited and its subsidiaries (“Champion” or the “Company”) are committed to protecting human rights wherever they operate. Champion’s management of Modern Slavery falls within its overall approach to protecting human rights. As such, the Company will identify and address the risk of modern slavery in its operations and supply chains.

This statement applies to the operations and assets of Champion, its subsidiaries and suppliers. In the context of this statement, the term “suppliers” designates any person or entity that provides goods and / or services to Champion or its subsidiaries, including sole proprietorships, companies, corporations, public institutions or private companies, associations or any other legal entity that provides such goods or services. The term “suppliers” also includes all contractors and subcontractors who perform work for or on behalf of Champion.

The information presented in this statement is based on the fiscal year from April 1, 2019, to March 31, 2020, which only represents the Company's second year of mining operations.

Champion keeps all the information and data in this report in its document control system. All figures shown in this report represent the latest data available, unless otherwise indicated in the text. Some of the totals shown may reflect the rounding up or down of totals and subtotals. Unless otherwise indicated, all monetary amounts presented are in Canadian dollars established according to the monetary exchange rates in effect for the reporting period. All data has been subject to internal reviews and evaluations.

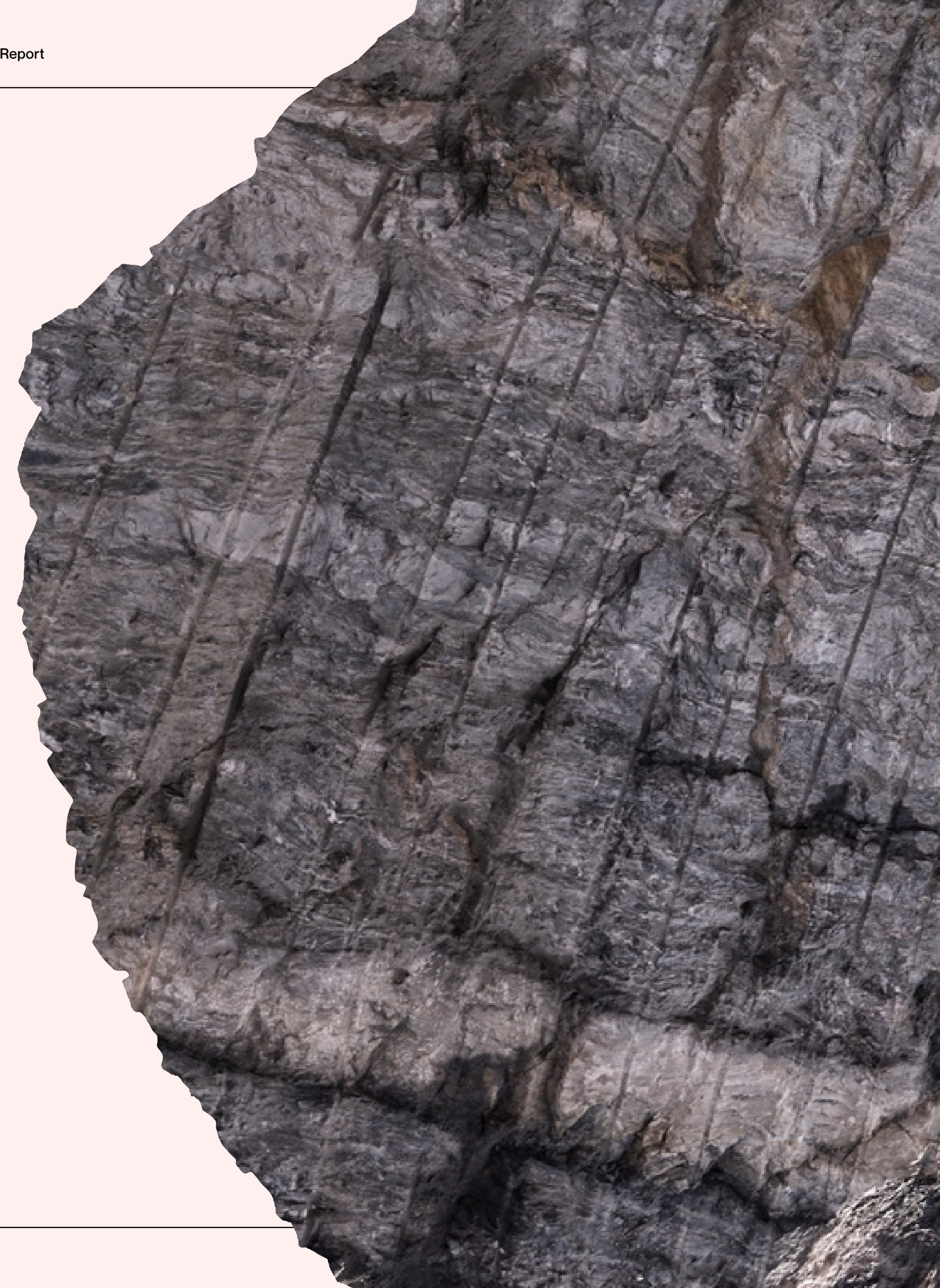
Champion values its relationships with its stakeholders and is committed to maintaining open and transparent communications. We accept questions, comments and requests for information on this statement and its content. Comments may be sent to the following address: DDSD@minerai.ferquebec.com.

Consultation

Champion Iron Limited developed this statement in consultation with its operating subsidiary, Quebec Iron Ore Inc., covered by this statement.

We 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 Iron Limited and Quebec Iron Ore Inc.

The Senior Leadership members for both entities also reviewed the statement. It should be noted that the signatory of this statement, Mr. David Cataford, is CEO and Director of Champion Iron Limited as well as CEO and Director of Quebec Iron Ore Inc.



Company structure and activities

Champion Iron Limited was incorporated under the laws of Australia in 2006 and is listed on the Toronto Stock Exchange (TSX: CIA) and Australian Securities Exchange (ASX: CIA). The Company is domiciled in Australia and its principal administrative office is located in Montréal, Québec, Canada. Champion, through its subsidiary Quebec Iron Ore Inc. ("QIO"), owns and operates the Bloom Lake Mining Complex ("Bloom Lake" or "Bloom Lake Mine"), located on the south end of the Labrador Trough, approximately 13 km north of Fermont, Québec, adjacent to established iron ore producers.

Champion produces annually up to 7.5 million tons of high-quality iron concentrate.

With the completion of its current expansion project at its Bloom Lake Mine, the Company will soon double its production capacity to 15 million tonnes per year.

In addition to operating the Bloom Lake Mine, Champion controls more than 5 billion tonnes of iron ore resources located less than 100 km south of the Bloom Lake Mine, which presents attractive long-term growth opportunities for the Company.

Our target customers are mainly steel producers. Champion's product is sold to 23 different customers, mainly located in the Greater Asia region.

During the fiscal year ended March 31, 2020, the Company employed 500 full-time employees and had over 1,000 registered suppliers located primarily in Canada.



Our approach

Respect for human rights is one of the fundamental elements of our overall strategy aimed at integrating the principles of sustainable development throughout our organization.

Champion first recognizes that its activities can have an impact on human rights either through its operations or through its relationships with subcontractors and suppliers. This is why the Company is committed to implementing the means to ensure respect for human rights in its assets and to ensure that its

employees and business partners understand and respect this commitment.

Champion has zero tolerance for any form of modern slavery, including forced, compulsory or child labour, and is committed to operating in a transparent and responsible manner and preventing modern slavery and human trafficking in its activities. The Company also seeks to avoid being complicit in or facilitating human rights violations or modern slavery in its supply chain.





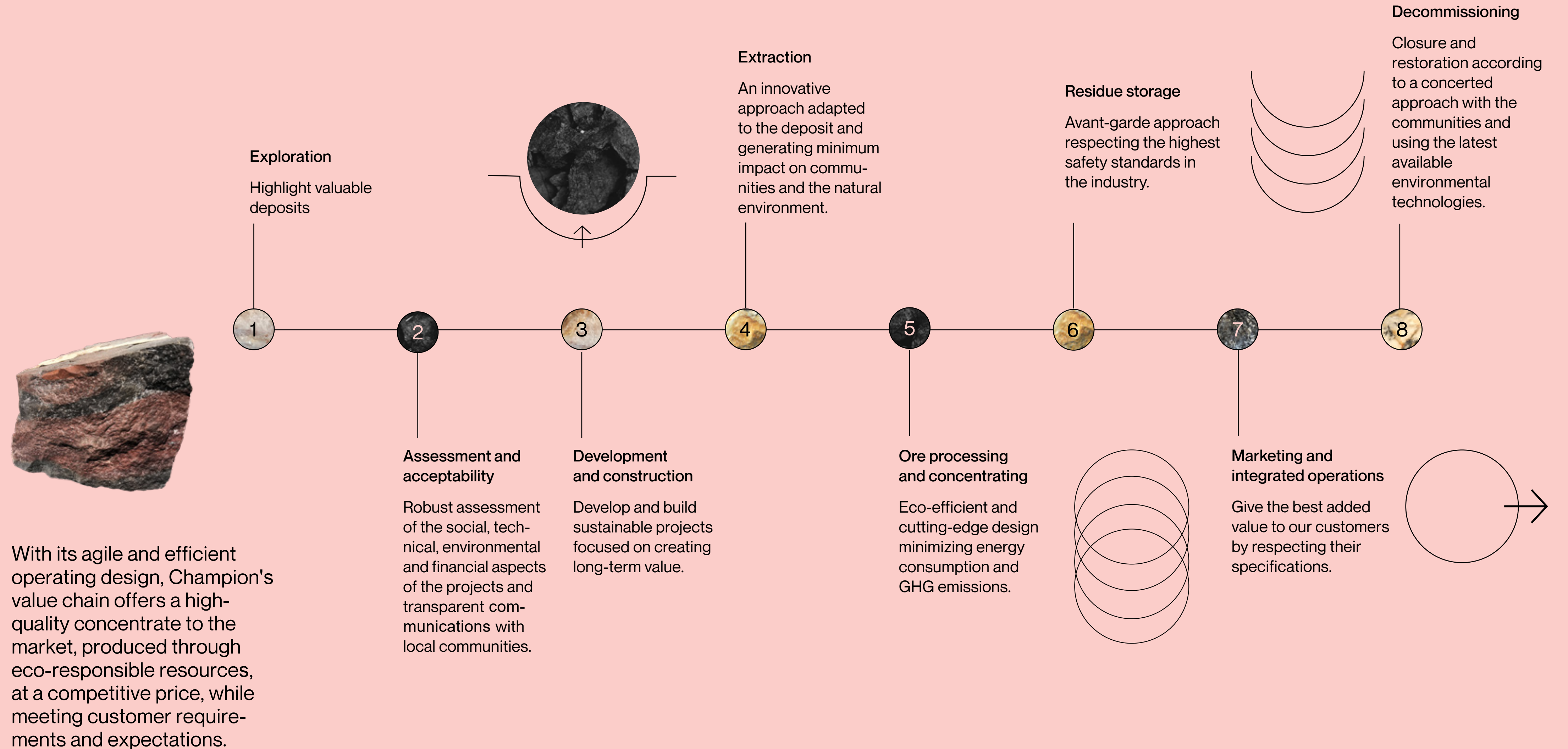
Our strategy

Our management team sets the strategic direction for sustainable development and ensures the development and implementation of strategic sustainability programs that incorporate an approach to respect and protect human rights and prevent modern slavery.

Champion's policies and operational processes embody its commitment to human rights throughout the Company. Champion draws on relevant international frameworks, including the International Labour Organization's conventions, to conduct its operations with respect for human rights.

Champion ensures the consistency of its human rights policies with the regulations in force in the jurisdictions in which it operates. We also seek to ensure that all of our policies and operational processes comply with the guiding principles and sustainable development framework of the International Council on Mining and Metals (ICMM).

Our value chain



Supply chain

Champion's business is supported by a diverse supply chain that provides goods, materials and services required at different stages of its value chain.

Champion's industrial operations manage approximately 1,000 suppliers, for a total annual spent amount of approximately \$483 million.

Over 99.0% of annual spending is made with suppliers located in Canada. The remaining 1% of annual expenditures is sourced from suppliers located in countries like the United States, Australia, France, China and Germany. It should be noted that these are the countries where purchase orders are issued and may not always represent the country of origin of the products and services provided.

Indigenous supply

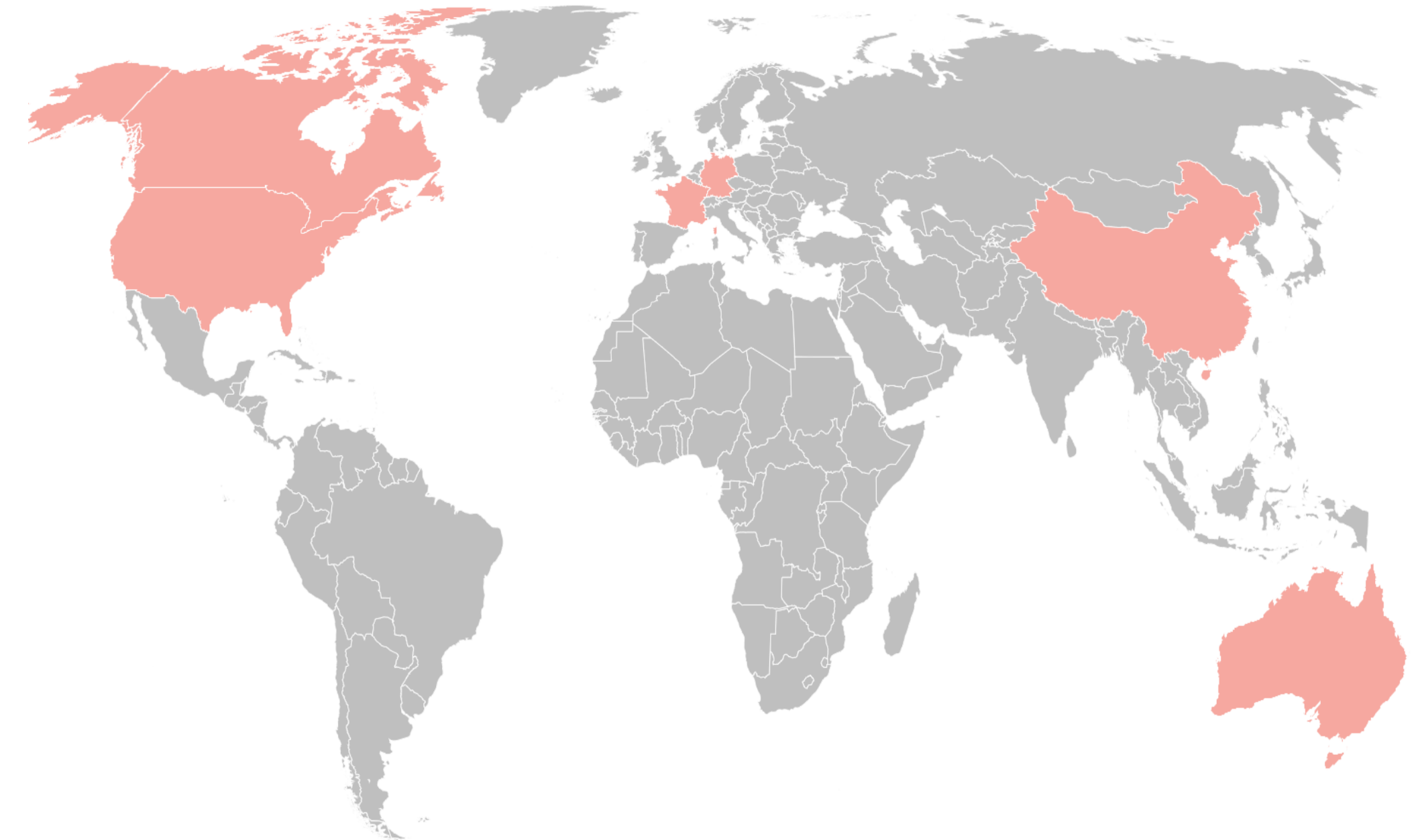
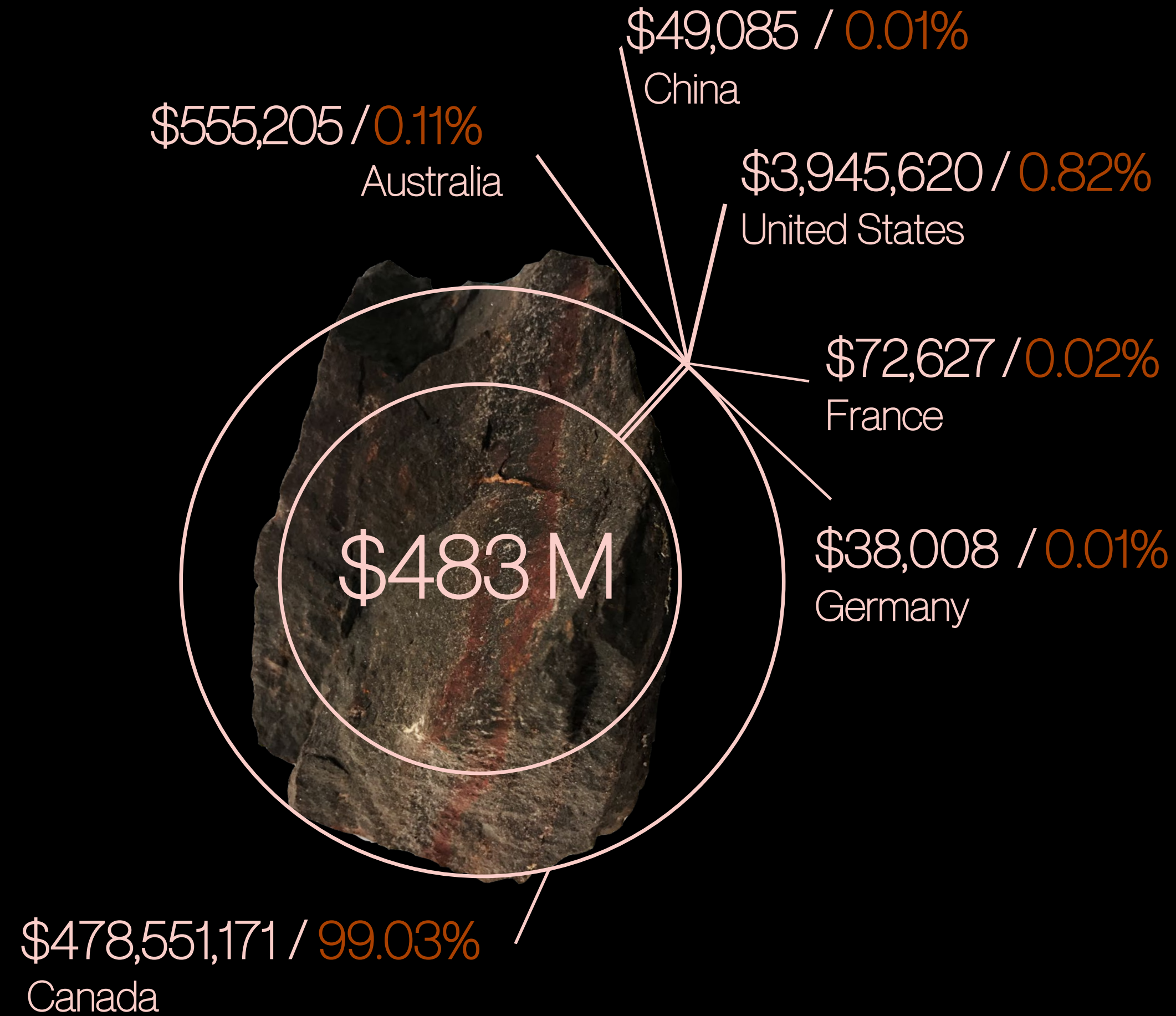
Champion undertakes to encourage, as much as possible, host Indigenous businesses in the following manner:

- By giving importance to special criteria for Indigenous participation in the decision-making matrix used for the selection of suppliers.
- As much as possible, by adapting contracts to the capacities, needs, skills and work experience of host Indigenous businesses to allow them to submit competitive proposals.
- At the request of Indigenous suppliers and subject to confidentiality obligations, review their proposals with Indigenous companies not selected in the tender process to help them improve their competitiveness and their chances of obtaining contracts in the future.

Champion is also committed to promoting the use of host Indigenous businesses with other non-Indigenous suppliers by:

- Providing them the list of host Indigenous businesses as established by themselves (available at <https://mineraiferquebec.com/our-innu-partners/?lang=en>).
- Informing them of Champion's commitments regarding the importance of the participation of host Indigenous businesses in the supply of goods and services.

FY2020 Sourcing Countries



Legend:

Level 1
Value of contracts awarded by Champion in FY2020

Level 2
Breakdown of the value of contracts awarded by Champion in FY2020

Policies and governance

Our approach to managing human rights and modern slavery risk is supported by a framework of policies and procedures.

Human rights violations, including modern slavery, can be associated with failures in business ethics or corporate governance, whether in terms of corruption or legal non-compliance.

Champion understands these connections and that is why it has implemented a Code of Conduct for its employees that helps to strengthen the prevention of human rights violation.

Champion's Code of Conduct promotes standards for the behaviour expected of all staff in their daily activities and in their relationships with others.

Champion plans to have a whistleblower policy in place in 2021. This policy provides for the establishment of a reporting process via a hotline in complete confidentiality and without fear of reprisal.

Child labour

The definition of “modern slavery” in the Australian Modern Slavery Act includes child labour as defined by the International Labour Organization. The worst forms of child labour include all forms of slavery and hazardous work.

Champion rejects all forms of child labour and recognizes the importance of having strong processes to ensure that, through its activities or business relationships, the Company is not involved in any form of child labour.

Champion is committed to comply with the International Labour Organization's Conventions 138 and 182 and not use child labour under the age of 16 and ensure that no work that may be likely to compromise the health and safety of individuals is performed by people under 18 of age.

The Company is also committed to not use forced labour under any circumstances.



Risk assessment

Champion has a single operational site located in Canada and 99% of its purchases are made with suppliers located in this country. Canada is part of the list of countries designated by the International Equator Principles risk management framework. According to this framework, designated countries are deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment.

Furthermore, the majority of the international spend is made in countries with a low prevalence of modern slavery according to the 2018 Global Slavery Index. Therefore, while we recognize the importance of understanding and being able to describe the risks of modern slavery practices in our operations and our supply chain, those should be considered low in Champion's direct and indirect activities.

Our operations

We use processes such as social and environmental impact assessments of our projects. We will soon be implementing processes for human rights impact assessments and human rights risk analysis across our business. We are also focusing on training our people to make them sensitive to the risks as well as on strengthening our existing partnerships to better mitigate the risks of potential human rights impacts including modern slavery.

Supply chain

We recognize the risks of modern slavery within our supply chain, especially at the international scale. Although sourcing outside of Canada represented only 1% of our total annual purchases during the reporting year ended March 31, 2020, we use external references and publications such as the Global Slavery Index (GSI) to identify and better understand the risks associated with modern slavery in the countries that provide us with goods and services.

Training and capability building

At the start of their employment, all of our employees receive a Code of Conduct, which includes our approach to respect and protect human rights in all of our assets and operations.

During the reporting period ended March 31, 2020, we implemented an online training and certification process on this Code. In addition to reviewing key Code topics, the process includes a mandatory test to ensure understanding of the concepts learned. In addition, employees are asked to confirm electronically their

commitment to abide by the Code at all times. The test must be passed with a score of 100% for certification to be obtained. Training and certification must be renewed on an annual basis by all employees.

Champion plans, in the near future and for employees who are responsible for the security of our assets, to implement additional training in accordance with international human rights standards to ensure the respect and protection of human rights when exercising their functions.



Assessment and effectiveness

In order to integrate Champion's commitment towards modern slavery prevention, the Company relies on leadership that encourages a culture of respect for human rights.

All Champion employees must comply with its policies and processes including those regarding human rights. Champion managers must also encourage the maintenance of a work environment where everyone can express their concerns in relation to actual or alleged human rights violations.

Compliance with human rights will be evaluated by Champion's operations by means of an audit

program carried out on a regular basis. This will help target trends, non-conformities, inefficiencies, improvement opportunities, and other gaps that prevent or could limit the optimal implementation of, or compliance with, Champion's commitment and policies. This approach allows Champion to make the relevant adjustments to improve its processes and ways of doing things with a view of continuous improvement.

Employees who fail to comply with its policies or commitment towards human rights will be subject to disciplinary measures ranging in particular from the obligation to undergo awareness training or directed consultations to suspension or dismissal.



Looking ahead

While we have already established concrete commitments to prevent modern slavery within our business, we recognize that there is still much to do and we will continue to seek progress on this global issue through meaningful action in our organization and in partnership with our suppliers. As such, the Company will develop a three-year action plan to:

→ Deploy the responsible sourcing policy within the Company and with suppliers in order to implement clear standards regarding the prevention of modern slavery and the protection of human rights throughout the supply chain.

→ Better understand and act on our risks of modern slavery by setting up a process for assessing the impacts on human rights and analyzing our risks across the Company, including auditing our suppliers and our process for awarding contracts.

→ Update our control framework by reviewing and updating our Code of Conduct, implementing a whistleblower policy, and imposing specific training for employees who are responsible for the security of our assets.

We are confident that these steps will help our continuing, multi-faceted approach to preventing and combating modern slavery in our own operations and across our supply chain.

Important notice

This document contains statements that are, or may be deemed to be, “forward-looking statements” which are prospective in nature. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof, such as “outlook”, “plans”, “expects” or “does not expect”, “is expected”, “continues”, “assumes”, “is subject to”, “budget”, “scheduled”, “estimates”, “aims”, “forecasts”, “risks”, “intends”, “positioned”, “predicts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words or comparable terminology and phrases or statements that certain actions, events or results “may”, “could”, “should”, “shall”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy. By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Champion’s control. Forward-looking statements are not guarantees of future performance and may and often do differ materially from actual results.

Neither Champion nor any of its partners or directors, officers or advisers, makes any representation, assurance or warranty that the occurrence of the events expressed or implied in the forward-looking statements contained herein will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document.

Except as required by applicable laws and regulations, Champion is under no obligation and Champion and its affiliates expressly disclaim any intention, obligation or commitment to

update or revise any forward-looking statements, whether new information, events or other situations arise in the future. This document should in no way imply that there has been no change in the business or affairs of Champion since the date of this document or that the information in this document is correct at any time after its date.

Finally, the words “we” and “our” are also used to refer collectively to the members of the Group or those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company(s).

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