



## 2 Solid Iron Stocks to Buy in 2022

### Description

Canada stands eighth in the ranks of the iron ore-producing countries in the world. But the ranking doesn't mean when you realize that the top producer (Australia) produces more than a third of the total iron ore produced around the globe and the top four countries produce about 78%. Canada's share in the total global production is just 2.2%.

However, even if the Canadian iron companies don't outshine the global competition, they are still viable investments that may deserve a place in your portfolio.

### An Australian iron ore company

Like Canada's dominance in gold, Australia's dominance in iron is reflected in its globally positioned companies, like **Champion Iron** ([TSX:CIA](#)). It's headquartered and listed in Australia and cross-listed on the TSX as well. And the rationale behind this cross-listing is that all three of the company's flagship projects are in Canada — two in Quebec and one in Newfoundland and Labrador.

It's the same with the exploration projects as well. These Canadian mines/projects are well known for the high-grade and low-contamination iron ore. The company is adequately positioned as an international iron ore exporter.

The Champion Iron stock has been trading on the TSX since 2014, and it has mostly gone up since then. If you had bought it at [its inception](#), you would now be sitting on the capital growth of over 1,200%. But its short-term growth potential is quite substantial as well. Since late 2018, it has seen three growth phases (over 190%, 440%, and 90%), and only one (440%) took more than a year.

So, buying it during a crash/correction is highly likely to yield both short-term and long-term appreciation.

### A Canadian iron ore company

**Labrador Iron Ore Royalty** ([TSX:LIF](#)) is a Canadian company all the way. It's headquartered in Canada, and, as a royalty company, it has a stake in the privately owned Iron Ore Company of Canada, which has a decent reserve life (23 years at least) and produces high-quality iron ore.

It shares its ownership with **Rio Tinto**, the second-largest iron ore producer in the world, and **Mitsubishi**. This endorses the stability of Labrador Iron Ore Royalty as a stock.

It has been a relatively cyclical stock. It started falling right after inception and then entered a 3.5-year-long bullish phase, which pushed the stock up 330%. This streak ended with the pandemic, but the post-crash growth phase has been just as impressive — i.e., about 246% at its best and 191% so far (if you'd bought at the lowest point during the crash).

Another compelling reason to consider buying this iron ore stock would be the [high yield](#). It's 4.7% now, when the stock is trading at a premium. It can be significantly higher if you buy it at a discount.

## Foolish takeaway

If you analyze the trajectory of the two stocks, it's easy to see that this market segment is in a [bullish phase](#) right now. But if 2022 is also the year for a deep correction, you should consider waiting for the stocks to dip before buying and maximizing your growth potential.

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2. Metals and Mining Stocks

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