

LABRADOR IRON ORE
ROYALTY CORPORATION

**NOTICE OF ANNUAL MEETING
OF HOLDERS OF COMMON SHARES**

to be held on Thursday, May 14, 2020

and

MANAGEMENT INFORMATION CIRCULAR

April 9, 2020

LABRADOR IRON ORE ROYALTY CORPORATION

NOTICE OF MEETING

Notice is hereby given that an annual meeting (the “**Meeting**”) of the holders of common shares of Labrador Iron Ore Royalty Corporation (“**LIORC**”) will be held on Thursday, May 14, 2020 at 11:00 a.m. (Toronto time) by way of a virtual meeting conducted via a live audio webcast online at <https://web.lumiagm.com/209289912>. The Meeting will be held for the following purposes:

- (a) to receive reports and audited financial statements;
- (b) to elect Directors for the coming year; and
- (c) to appoint auditors for the coming year and authorize the Board of Directors to fix their remuneration.

To mitigate risks related to the rapidly evolving coronavirus disease (COVID-19) and based on government recommendations and requirements to avoid large gatherings, the Meeting will be conducted in a virtual-only format via live audio webcast. The live audio webcast will permit all participants to communicate adequately with each other during the Meeting. Holders of common shares will not be able to attend the Meeting in person. A summary of the information holders of common shares will need to attend the Meeting online is provided in the enclosed management information circular.

A holder of common shares who is unable to attend the Meeting should complete and submit the enclosed form of proxy for use at the Meeting. In order to be valid and acted upon at the Meeting or any adjournment thereof, proxies must be received by Computershare Investor Services Inc. at 100 University Avenue, Toronto, Ontario, M5J 2Y1 by 11:00 a.m. (Toronto time) on May 12, 2020. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

If you are a non-registered holder of common shares and received these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form, as the case may be, provided to you in accordance with the instructions provided by your broker or intermediary. Failure to do so may result in your common shares not being eligible to be voted at the Meeting.

Registered holders of common shares and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out in the enclosed management information circular. Non-registered holders of common shares who have not duly appointed themselves as proxyholders may still attend the Meeting as guests provided they are connected to the Internet. Guests will be able to listen to the Meeting and ask questions following conclusion of the formal business of the Meeting but will not be able to vote at the Meeting.

Holders of common shares who wish to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including non-Registered Holders who wish to appoint themselves to attend) must carefully follow the instructions in the enclosed management information circular and on their form of proxy or voting instruction form. **These instructions include the additional step of registering such proxyholder with LIORC’s transfer agent, Computershare Investor Services Inc., after submitting their form of proxy or voting instruction form. Failure to register the proxyholder with LIORC’s transfer agent will result in the proxyholder not receiving a control number as a username to vote at the Meeting and only being able to attend as a guest.**

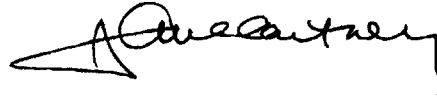
If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

If you have any questions about how to vote your shares or otherwise participate in the Meeting online please contact Kingsdale Advisors, LIORC's strategic shareholder advisor and proxy solicitation agent, by toll-free call in North America at 1-866-851-3212 or collect call outside North America at 416-867-2272 or by email to contactus@kingsdaleadvisors.com.

On behalf of the Board of Directors,



John F. Tuer
President and Chief Executive Officer



James C. McCartney
Executive Vice President

April 9, 2020

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

LABRADOR IRON ORE ROYALTY CORPORATION

MANAGEMENT INFORMATION CIRCULAR

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by management of Labrador Iron Ore Royalty Corporation (“**LIORC**”) for use at the annual meeting (the “**Meeting**”) of holders of common shares to be held by way of a virtual meeting conducted via a live audio webcast online at <https://web.lumiagm.com/209289912> on Thursday, May 14, 2020 commencing at 11:00 a.m. (Toronto time) for the purposes set forth in the notice of meeting (the “**Notice**”) accompanying this Information Circular.

Solicitation of Proxies

Information contained herein is given as of April 9, 2020. The costs incurred in the solicitation of proxies and in the preparation of mailing of this Information Circular will be borne by LIORC. Solicitation of proxies by the management of LIORC and by employees of the Administrator (as defined herein) will be through the mail, in person and/or by telephone. LIORC has also engaged Kingsdale Advisors (“**Kingsdale**”) as strategic shareholder advisor and proxy solicitation agent for a fee of \$49,612.50. If you have any questions about how to vote your shares, please contact Kingsdale by toll-free call in North America at 1-866-851-3212 or collect call outside North America at 416-867-2272 or by email at contactus@kingsdaleadvisors.com.

Virtual Meeting Information

To mitigate risks related to the rapidly evolving coronavirus disease (COVID-19) and based on government recommendations and requirements to avoid large gatherings, the Meeting will be conducted in a virtual-only format via live audio webcast. The live audio webcast will permit all participants to communicate adequately with each other during the Meeting. Holders of common shares will not be able to attend the Meeting in person. A summary of the information holders of common shares will need to attend the Meeting online is provided below. See “Voting at the Meeting” below.

Registered holders of common shares and duly appointed proxyholders who participate in the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out below under “Voting at the Meeting”. Non-registered holders of common shares who have not duly appointed themselves as proxyholders may still attend the Meeting as guests provided they are connected to the Internet. Guests will be able to listen to the Meeting and ask questions following conclusion of the formal business of the Meeting but will not be able to vote at the Meeting. See “Voting at the Meeting” below.

Appointment and Revocation of Proxies

A form of proxy accompanies the Notice and this Information Circular. The persons named in such form of proxy are directors or officers of LIORC. A person or corporation submitting a proxy shall have the right to appoint a person (who need not be a holder of common shares of LIORC) to be a representative at the Meeting, other than the persons designated in the form of proxy furnished by LIORC. Such appointment may be exercised by crossing out the persons named in the enclosed form of proxy and inserting the name of the appointed representative in the blank space on the form of proxy. **The additional registration step outlined below under “Voting at the Meeting — Appointment of a Third Party as Proxy” must also be followed.** A proxy will not be valid unless it is completed and submitted for use at the Meeting. In order to be valid and acted upon at the Meeting or any adjournment thereof, proxies must be received by Computershare Investor Services Inc. (“**Computershare**”) no later than 11:00 a.m. (Toronto time) on May 12, 2020. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

A holder of common shares of LIORC who has deposited a proxy may revoke it by depositing an instrument in writing executed by such holder (or by an attorney duly authorized in writing) or, if such holder is a corporation, by any officer or attorney thereof duly authorized, either at the registered office of LIORC at any time up to and including the close of business on the last business day preceding the Meeting or any adjournment thereof, or as described below.

If you are using a control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote online by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will, if the instructions are certain, vote the common shares of LIORC represented thereby and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the common shares of LIORC will be voted in accordance with the specification. In the event that a proxy is returned without voting instructions, the common shares of LIORC represented thereby will be voted in favour of the resolutions described in the Notice. If a person or corporation appoints a representative other than the persons designated in the form of proxy, LIORC assumes no responsibility as to whether the representative so appointed will attend the Meeting to vote the common shares of LIORC in accordance with the instructions of, or otherwise act on behalf of, the person or corporation appointing the representative. If you appoint a non-management proxyholder please ensure they attend the Meeting for your vote to count.

The enclosed form of proxy confers discretionary authority on the persons with respect to amendments or variations of matters identified in the Notice. At the time of printing this Information Circular, the directors of LIORC (the “**Directors**”) are not aware of any such amendments or variations.

Information for Registered and Non-Registered Holders

Only holders of common shares of LIORC whose names are set out in the applicable registers maintained by LIORC’s transfer agent (“**Registered Holders**”) or the persons they appoint as their proxies are permitted to vote at the Meeting. CDS & Co. is a Registered Holder that acts as a clearing agent for intermediaries (each, an “**Intermediary**”) such as, among others, banks, trust companies, securities dealers or brokers and trustees, administrators or managers of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans. In accordance with the requirements of National Instrument 54-101, LIORC has caused the Notice, this Information Circular and the accompanying form of proxy (collectively, the “**Meeting Materials**”) to be distributed to CDS & Co. and the Intermediaries for onward distribution to non-registered holders of common shares of LIORC (“**Non-Registered Holders**”).

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will be given either:

- (i) a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the numbers of common shares of LIORC beneficially owned by the Non-Registered Holder but which is otherwise not completed; this form of proxy need not be signed by the Non-Registered Holder; in this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and send or deliver it to Computershare as set out in the Notice; or

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

- (ii) a voting instruction form, which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form and returned to the Intermediary or its service company.

Voting Instructions for Registered Holders

A *Registered Holder* may submit a proxy by:

Internet: Enter the 15-digit control number at www.investorvote.com.

Telephone: Enter the 15-digit control number at 1-866-732-8683 (Canada and the U.S. only) or 312-588-4290 (outside Canada and the U.S.).

Mail or delivery:

Computershare Investor Services Inc.
Attention: Proxy Department
8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1.

Voting Instructions for Non-Registered Holders

Canadian Non-Registered Holders may vote by:

Internet: Enter the 16-digit control number at www.proxyvote.com.

Telephone: Enter the 16-digit control number at 1-800-474-7493.

U.S. Non-Registered Holders may vote by:

Internet: Enter the 16-digit control number at www.proxyvote.com.

Telephone: Enter the 16-digit control number at 1-800-454-8683.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares of LIORC that they beneficially own at the Meeting. Should a Non-Registered Holder who receives either a form of proxy or a voting instruction form wish to vote at the Meeting online (or have another person attend and vote at the Meeting online on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons designated in the form of proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding directions on the form. **The additional registration step outlined below under "Voting at the Meeting — Appointment of a Third Party as Proxy" must also be followed.**

Additionally, LIORC may use the Broadridge QuickVote™ service to assist non-Registered Holders with voting their shares. Non-Registered Holders may be contacted by Kingsdale Advisors to conveniently obtain a vote directly over the telephone. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions respecting the voting shares to be represented at the Meeting.

Common shares of LIORC held by Intermediaries can only be voted at the Meeting upon the instructions of the Non-Registered Holders. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or voting instruction form is to be delivered.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

Voting at the Meeting

General

Registered Holders may vote at the Meeting by completing a ballot online during the Meeting, as further described below under “How do I Attend and Participate at the Meeting?”

Non-Registered Holders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest and ask questions following conclusion of the formal business of the Meeting. This is because LIORC and Computershare do not have a record of the Non-Registered Holders, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder.

If you are a Non-Registered Holder and wish to vote at the Meeting online, you must appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and you must follow all of the applicable instructions, including the deadline, provided by your Intermediary. See “Appointment of a Third Party as Proxy” and “How do I Attend and Participate at the Meeting?” below.

If you are a U.S. beneficial shareholder, to attend and vote at the Meeting online, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting online. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed by mail to the attention of the Proxy Department of Computershare at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1 or by email at uslegalproxy@computershare.com. Requests for registration must be labeled as “Legal Proxy” and be received no later than 11:00 a.m. (Toronto time) on May 12, 2020. You will receive a confirmation of your registration by email after Computershare receives your registration materials. Please note that you are required to register your appointment at <http://www.computershare.com/LIFQ>.

Appointment of a Third Party as Proxy

The following applies to holders of common shares who wish to appoint someone as their proxyholder other than the management nominees named in the form of proxy or voting instruction form. This includes Non-Registered Holders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Holders of common shares who wish to appoint someone other than the management nominees as their proxyholder to attend and participate at the Meeting as their proxy and vote their common shares must submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder and register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed after you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a control number for a username to vote in the Meeting and only being able to attend as a guest.

Step 1 — Submit your form of proxy or voting instruction form: To appoint someone other than the management nominees as proxyholder, insert that person’s name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

If you are a Non-Registered Holder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary and register yourself as your proxyholder, as

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

described below. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary. Please also see further instructions below under the heading “How do I Attend and Participate at the Meeting?”

Step 2 — Register your proxyholder: To register a third party proxyholder, Shareholders must visit <https://www.computershare.com/LIFQ> by no later than 11:00 a.m. (Toronto time) on May 12, 2020 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a control number for a username via email to participate in the Meeting. Without a control number for a username, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.

How do I Attend and Participate at the Meeting?

LIORC is holding the Meeting in a virtual-only format, which will be conducted via live audio webcast. Holders of common shares will not be able to attend the Meeting in person.

Attending the Meeting online enables Registered Holders and duly appointed proxyholders, including Non-Registered Holders who have duly appointed themselves as proxyholder, to vote at the Meeting and ask questions at the appropriate times during the Meeting, all in real time.

Guests, including Non-Registered Holders who have not duly appointed themselves as proxyholder, can login to the Meeting as set out below. Guests can listen to the Meeting and ask questions following conclusion of the formal business of the Meeting but are not able to vote.

Log in online at <https://web.lumiagm.com/209289912> on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox. We recommend that you log in at least 15 minutes before the Meeting starts.

If you are a Registered Holder click “I have a login” and then enter your 15-digit control number as the username, which is the control number located on your form of proxy or in the email notification you received from Computershare and “labrador2020” (case sensitive) as the password.

OR

If you are a duly appointed proxyholder click “I have a login” and then enter your four digit username that was provided to you by Computershare after the voting deadline passed as the username and “labrador2020” (case sensitive) as the password. In order to be a duly appointed proxyholder the proxyholder must be registered as described in “Appointment of a Third Party as Proxy” above.

OR

If you are a Non-Registered Holder that has not appointed yourself as a proxyholder click “Guest” and then complete the online form.

If you attend the Meeting online, it is important that you are connected to the Internet at all times during the Meeting in order to vote online when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedures outlined above.

If you are using a control number as a username to login into the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote online by ballot on the matters put forth at the Meeting. If you do not wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

Quorum

The presence, in person or by proxy, of at least two holders of common shares of LIORC holding or representing at least 25% of the number of common shares outstanding on the date of the Meeting is required to constitute a quorum at the Meeting. If a quorum is not present at the Meeting, the Meeting will be adjourned to such day being not less than 14 days after the date of the Meeting, as may be specified by the Chair of the Meeting. If at such adjourned meeting a quorum is not present, the holders of common shares present in person or by proxy will form a quorum.

Voting Securities and Principal Holders

Common Shares

Holders of common shares of LIORC of record at the close of business on April 3, 2020 are entitled to notice of and to attend the Meeting in person or by proxy and are entitled to one vote per share held on all matters to be considered at the Meeting. There are 64 million common shares outstanding.

Principal Holders

To the best of the knowledge of the Directors, no person beneficially owns, directly or indirectly, or exercises control or direction over, common shares of LIORC carrying more than 10% of the voting rights attached to the outstanding common shares of LIORC which may be voted at the Meeting.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

BUSINESS OF THE MEETING

Financial Statements

The financial statements of LIORC for the years ended December 31, 2019 and December 31, 2018 together with the auditors' report thereon, contained in the 2019 Annual Report mailed to the holders of common shares with this Information Circular, will be presented to the holders of common shares at the Meeting.

Election of Directors

Resolutions to elect William J. Corcoran, Mark J. Fuller, Douglas F. McCutcheon, William H. McNeil, Dorothea E. Mell, Sandra L. Rosch, John F. Tuer and Patricia M. Volker as Directors will be presented to the holders of common shares at the Meeting. The term of office for each Director is from the date of the meeting at which he or she is elected until the next annual meeting or until a successor is elected or appointed. It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies for the election of the nominees as Directors. Management does not contemplate that any of the nominees will be unable to serve as a Director but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

The name, province and country of residence, office held, principal occupation, date of appointment and number of common shares owned, or over which control or direction is exercised, with respect to each of such nominees are as follows:

<u>Name and Residence</u>	<u>Office(s) Held</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Number of Common Shares</u>
William J. Corcoran ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Director	Company director	1995	15,000
Mark J. Fuller ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Director	President and CEO of Ontario Pension Board, the administrator of the Ontario Public Service Pension Plan	2014	5,000
Douglas F. McCutcheon Ontario, Canada	Director	President of Longview Asset Management Ltd., an investment management firm	2020	Nil
William H. McNeil Ontario, Canada	Chair of the Board and Director	Chair of the Board of LIORC and company director	2015	5,000
Dorothea E. Mell Ontario, Canada	Director	Company director	2020	Nil
Sandra L. Rosch Ontario, Canada	Executive Vice-President and Director	Executive Vice President of LIORC	2014	7,000
John F. Tuer Ontario, Canada	President and CEO and Director	President and CEO of LIORC	2017	16,200
Patricia M. Volker ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Director	Company director	2014	5,000

Notes:

- (1) Member of Audit Committee.
- (2) Member of Compensation Committee.
- (3) Member of Nominating Committee.

As at December 31, 2019, directors and officers of LIORC collectively beneficially owned, directly or indirectly, or exercised control and direction over an aggregate of 63,200 common shares, representing

approximately 0.1% of the outstanding common shares. On March 3, 2016, the Board of Directors adopted a policy that requires each Director, including the CEO, to acquire and hold at least 5,000 common shares of LIORC prior to the later of March 3, 2020 and the fourth anniversary of the date the Director is elected and all of the Directors are in compliance with this policy. The directors of LIORC are also directors and officers of Hollinger-Hanna Limited. Messrs. Tuer and McNeil serve as directors of IOC.

LIORC does not have an executive committee.

Also see LIORC's annual information form for the year ended December 31, 2019 for information about the Audit Committee, including a copy of its charter and information about independence, financial literacy, relevant education and experience of Audit Committee members.

Director Biographies

William J. Corcoran — Mr. Corcoran was Vice Chair of Jarislowsky Fraser Limited, a registered investment counseling firm, from 2001 to 2015. He was Vice Chair of the Ontario Pension Board from 1991 to 2001 and prior to that was a Managing Director of Scotia McLeod, an investment banking firm. He received a BA and a LL.B. from the University of Toronto.

Mark J. Fuller — Mr. Fuller is President and Chief Executive Officer of Ontario Pension Board, the administrator of the Ontario Public Service Pension Plan. He joined the Ontario Pension Board in 1999. He received a LL.B. from the University of Western Ontario and is called to the bar in Ontario.

Douglas F. McCutcheon — Mr. McCutcheon is President of Longview Asset Management Ltd, a financial advisory and investment management firm. He has over 25 years' experience in investment banking advising companies around the world on raising capital and mergers and acquisitions. He has a B. Comm. Hons from Queen's University.

William H. McNeil — Mr. McNeil served as President and CEO of LIORC from September 1, 2016 to March 7, 2019. He was a Managing Director and Senior Mining Engineer of The Bank of Nova Scotia from 1995 to 2016. Mr. McNeil holds a MBA from the University of Western Ontario and a B.Sc. from Queen's University.

Dorothea E. Mell — Ms. Mell has over 25 years' experience in the investment industry. Most recently she was Managing Director and Portfolio Manager at Gluskin Sheff, a private wealth management firm, where she was responsible for high yield investments. She has a B.A. (Economics) and an MBA from McMaster University and is a Chartered Financial Analyst.

Sandra L. Rosch — Ms. Rosch is an Executive Vice President of LIORC. She also served as President of Stonecrest Capital Inc., an independent Canadian restructuring firm, until December, 2018. She has over 30 years' experience in financial restructuring, mergers and acquisitions and financing transactions. She was an investment banker with Scotia Capital Inc. from 1994 to 2001. She received a MBA from the University of Western Ontario and a B. Comm. from McMaster University.

John F. Tuer — Mr. Tuer was appointed President and CEO of LIORC on March 7, 2019. He was Managing Director & Head, Mergers and Acquisitions, Scotiabank, until February 23, 2017. He has over 25 years' experience in the mergers and acquisitions advisory business. He received a B. Comm. Hons. from Queen's University and a LL.B. from the University of Toronto.

Patricia M. Volker — Ms. Volker is a corporate Director who retired in 2015, after 17 years at the Chartered Professional Accountants of Ontario. Ms. Volker served in various capacities in the accounting profession and her career includes 30+ years of advisory, public accounting, banking and regulatory expertise. She is a CPA, CA, CMA, ICD.D and hold a B.Sc. from the University of Toronto.

Nomination of Directors

The Nominating Committee reviews annually the composition of the Board of Directors and its committees, including the current strengths, skills and experiences of the Board. It also reviews the performance and attendance record of the incumbent Directors and the gender balance. The objective is to ensure the composition of the Board and its committees provides the appropriate mix of skills and experience to guide the

strategy of LIORC. The Nominating Committee identifies any gaps in composition and seeks to fill those gaps. Qualities such as integrity, good character and high regard in his or her professional field will always be basic criteria for Directors.

Experience Matrix

LIORC maintains a skills matrix and the Directors indicate their experience in each area. The matrix below illustrates the Board’s mix of experience in 11 categories that are important to LIORC. The Board and the Nominating Committee do not weigh these categories equally in evaluating Board composition. The Board recognizes that, as a whole, it may not include all of these areas and may therefore may access relevant skills externally.

<u>Experience Description</u>	<u>No. of Directors with significant experience</u>
General Senior Management — experience working as a CEO or senior officer for a major organization	8
Strategy — experience in formulating and driving the implementation of strategic planning	7
Corporate Finance and Securities — experience with corporate finance, investment banking and securities transactions	8
Mining — experience related to mining and mining royalty businesses	6
Investment Acumen — experience managing the relationship between an issuer and retail and institutional investors; experience with buy-side public market investing	6
Risk Management — experience and expertise in investment, financial, strategic and operational risk management at the enterprise level	8
Finance, Accounting and Audit — experience and expertise in financial accounting, audit and reporting, including internal controls	8
Governance and Board — experience as a board member of a public company or other major organization; experience in board practices and environmental, social and governance matters of a public company or other major organization	7
Human Resources and Compensation — experience in human resource management with particular emphasis in executive compensation	5
Legal and Regulatory — experience and expertise in business and securities law	4
Information Technology and Cybersecurity — experience in the design and implementation of information technology systems and managing cyber security risks . .	1

Appointment of Auditors

A resolution to appoint PricewaterhouseCoopers LLP as auditors of LIORC will be presented to holders of common shares at the Meeting. The persons named in the enclosed form of proxy, if not expressly directed to the contrary, will vote the common shares of LIORC represented by proxy for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of LIORC until the next annual meeting of holders of common shares at remuneration to be fixed by the Directors. PricewaterhouseCoopers LLP was first appointed on October 6, 2015.

EXECUTIVE COMPENSATION

Compensation Philosophy and Objectives

LIORC's executive officer compensation program is designed to:

- provide motivation and incentives to executive officers with a view to increasing alignment with LIORC shareholders and enhancing shareholder value;
- attract and retain key executive officers;
- recognize the scope and level of responsibility of each position; and
- reward superior performance and achievement.

LIORC evaluates both performance and compensation to ensure that its compensation philosophy and objectives are met. LIORC periodically reviews its executive compensation philosophy and programs to ensure that they are consistent with its goals of attracting, retaining and motivating executive officers to enhance shareholder value. In 2018, this evaluation and review was undertaken by the Compensation Committee.

Executive Compensation Governance, Process and Components

The Compensation Committee, comprised of William J. Corcoran, Mark J. Fuller and Patricia M. Volker (each of whom is an independent Director), has a Board-approved mandate that authorizes it to set compensation for the Directors, including fees and incentive awards, and to review the performance of LIORC's officers and to set their compensation, including fees and incentive awards. The Compensation Committee typically makes recommendations to the Board with respect to the approval of these matters.

All members of the Compensation Committee have a thorough understanding of the principles and policies underlying executive compensation decisions. They acquired this through experience as senior executive officers of publicly-traded corporations and other sizeable businesses and not-for-profit organizations, as well as through other experience. Several members of the Compensation Committee serve or have served on other compensation or human resources committees and all have experience in dealing with compensation matters, including the development and oversight of incentive plans, leadership and succession planning and the financial and market analysis of compensation practices.

LIORC is a passive holder of interests in IOC and has no operating business. In these circumstances, the Compensation Committee's process for determining executive compensation has historically been very simple and it relied solely on discussion among the members of the Compensation Committee, without any formal objectives, criteria or analysis. The focus has been on the performance by the executive officer of his or her duties and responsibilities. Compensation of LIORC's executive officers has been relatively modest to reflect the nature of their roles and corporate constraints.

In 2017, the Board adopted an annual performance framework (including the Restricted Share Unit Plan for Designated Officers (the "**RSU Plan**")) which has resulted in a degree of formalization of certain aspects of the annual performance assessment process utilized to determine executive compensation.

The CEO prepares a list of the CEO's key objectives and provides that list to the Compensation Committee. The CEO also prepares lists of similar key objectives for the other executive officers and delivers those lists to the Compensation Committee. These objectives form a "scorecard" that forms the basis of the annual performance assessment for the executive officers that drives the payment of annual cash bonuses and grants of restricted share units ("**RSU's**") pursuant to the RSU Plan. At the end of each fiscal year (or early in the following year), the Compensation Committee reviews the CEO's performance against each of the key objectives. The Compensation Committee's assessment of performance generates a score ranging from 0% to 150% (with 100% representing a "target" score where key objectives are achieved) that drives a payout calculated as a percentage of the CEO's current base salary. Similarly, the CEO assesses the performance of each of the other executive officers against his or her key objectives and recommends a score for the Compensation Committee's review and approval. The Board retains full discretion to adjust the quantum of the payment of annual cash bonuses and the grants of RSU's for each executive officer based on LIORC's financial performance and an overall market context.

LIORC's unique business profile limits its comparability to other publicly traded companies. LIORC's business is less complex than traditional gold and mineral royalty companies in Canada and there are few other comparable royalty entities outside of this industry segment. To benchmark executive compensation, LIORC uses publicly traded gold and mineral royalty companies (with data discounted appropriately to reflect differences in functions and executive officers' responsibilities) and certain other publicly traded royalty entities. The benchmarking data is used by the Compensation Committee as a reference point to inform its judgment in determining appropriate pay levels. This benchmarking peer group consists of Abitibi Royalties Inc., Altius Minerals Corporation, Diversified Royalty Corp., Dorchester Minerals, L.P., EMX Royalty Corp., Freehold Royalties Ltd., Osisko Gold Royalties Ltd. and Sandstorm Gold Ltd. In reviewing its executive compensation, LIORC compares base salary, target annual bonus, target total cash compensation (salary plus annual bonus), target long-term incentive and target total direct compensation for its executive officers against those of its peers.

Components of Executive Compensation

The components of compensation for LIORC's executive officers during the year ending December 31, 2019 consisted of:

- base salary;
- performance-based annual cash bonuses; and
- performance-based RSU's granted under the RSU Plan.

The mix of these components in any given year is primarily influenced by the individual performance of the executive officer, the financial performance of LIORC and the competitive market levels of compensation.

Base Salary

LIORC provides its executive officers with a base salary to compensate them for services rendered during the fiscal year and to aid in attracting and retaining quality executive officers. The base salary for each executive officer is reviewed annually or upon a promotion or other change in job responsibility, based on the individual's level of responsibility, the importance of the position and LIORC's financial performance.

Performance-Based Annual Cash Bonuses

Executive officers of LIORC are entitled to receive an annual cash bonus based on performance against pre-determined personal objectives outlined at the beginning of the fiscal year in the scorecard and assessed at the completion of the fiscal year (or shortly thereafter). These annual cash bonuses are designed to serve as a short-term incentive to reward executive officers for personal performance.

The annual cash bonuses are denominated as a percentage of current base salary and are paid within the following payout ranges:

<u>Executive Officers</u>	<u>Minimum/Threshold (i.e., Score = 0% of Target)</u>	<u>Target (i.e., Score = 100% of Target)</u>	<u>Maximum (i.e., Score = 150% of Target)</u>
CEO	0% of base salary	25% of base salary	37.5% of base salary
CFO	0% of base salary	25% of base salary	37.5% of base salary
EVP	0% of base salary	25% of base salary	37.5% of base salary
EVP	0% of base salary	25% of base salary	37.5% of base salary

Scores between 0% and 150% are linearly interpolated to correspond to the relevant payout level. The award ranges described above are subject to review and confirmation by the Board annually.

Performance-Based Awards of RSU's

Executive officers are entitled to receive awards of RSU's based on performance against pre-determined personal objectives outlined at the beginning of the fiscal year in the scorecard and assessed at the completion of

the fiscal year (or shortly thereafter). Grants of RSU's are designed to serve as a long-term incentive for executive officers, to focus their efforts on key corporate objectives outlined by the Board and to align their interests with those of LIORC's shareholders.

Grant date values are set in the context of the executive officer's total direct compensation and sized as a percentage of base salary. Grant date values are subject to review and confirmation by the Board, including the Board's assessment of performance. Previous grants of RSU's are generally not taken into account when considering new grants in light of the fact that awards are made based on an executive officer's performance against pre-determined personal objectives each year. The number of RSU's granted is calculated by dividing the grant value of the award by the average closing trading price of LIORC's common shares on the Toronto Stock Exchange (the "TSX") on the five business days leading up to and including the award date. The aggregate value of an award of RSU's is denominated as a percentage of current base salary and grants are made within the following ranges:

<u>Executive Officers</u>	<u>Minimum/Threshold (i.e., Score = 0% of Target)</u>	<u>Target (i.e., Score = 100% of Target)</u>	<u>Maximum (i.e., Score = 150% of Target)</u>
CEO	0% of base salary	30% of base salary	45% of base salary
CFO	0% of base salary	30% of base salary	45% of base salary
EVP	0% of base salary	30% of base salary	45% of base salary
EVP	0% of base salary	30% of base salary	45% of base salary

Scores between 0% and 150% are linearly interpolated to correspond to the relevant level. The award ranges described above are subject to review and confirmation by the Board annually.

RSU Plan

The RSU Plan is administered by the Board, which may delegate administrative responsibilities, in whole or in part, to a committee of the Board or management of LIORC. As of the date hereof, administrative responsibility has been delegated by the Board to the Compensation Committee. The Board has the discretion to determine which employees are eligible in any particular year to participate in the RSU Plan.

RSU's vest in three equal installments on each of the first, second and third anniversary of the award date, provided that the Board retains discretion to accelerate the vesting of any RSU. Notwithstanding the foregoing and except as otherwise determined by the Board, RSU's will also vest in accordance with the following:

- *Termination without cause:* Subject to the exercise of Board discretion (see "*Retirement or termination without cause*" below) unvested RSU's are forfeited following the expiry of the applicable notice period.
- *Termination with cause:* Unvested RSU's are forfeited.
- *Death:* Unvested RSU's immediately vest and no further RSU's are issued or credited.
- *Disability:* Unvested RSU's continue to vest and are paid out in accordance with the original vesting schedule.
- *Change of Control:* Unvested RSU's immediately vest on the date of a change of control.
- *Retirement or termination without cause:* The Board may, in its discretion, (i) accelerate the vesting of all or a part of the unvested RSU's that would otherwise remain unvested and therefore be forfeited, or (ii) accelerate the payment of all unvested RSU's that would eventually become vested.

Upon vesting, the RSU's are automatically redeemed for an amount of money equal to the number of RSU's multiplied by the average closing trading price of LIORC's common shares on the TSX on the five business days leading up to and including the vesting date. A holder of RSU's is also entitled to receive additional RSU's having an aggregate value equal to the value of any dividends paid by LIORC on the number of common shares underlying the holder's RSU's during each fiscal quarter. Holders are not permitted to assign or transfer their RSU's.

All RSU's are subject to a claw-back provision that entitles the Board, in its discretion, to cancel unvested or vested but unpaid RSU's and to recover from participants amounts paid on the redemption of RSU's in the prior 12 months in the following circumstances:

- LIORC is required to prepare an accounting restatement due to material non-compliance with financial reporting requirements of securities laws, to the extent required by such laws or government regulations; or
- the participant is terminated for cause which involves serious misconduct, fraud or gross negligence by the participant, as determined by the Board in its discretion

The RSU Plan permits the Board to make reasonable and appropriate adjustments to preserve the intended benefits of the RSU Plan for participants with respect to RSU's in the event of the subdivision or consolidation of the common shares, payments of extraordinary dividends, reclassification or conversion of the common shares, recapitalization, reorganization, change of control or other events as the Board may determine. The Board also retains broad discretion to amend or terminate the RSU Plan at any time or from time to time, subject to certain restrictions designed to protect the rights of participants.

Assessment of Risks Associated with Compensation Policies and Practices

The Compensation Committee has assessed LIORC's executive compensation policies and practices to ensure alignment of those policies and practices with LIORC's business and to evaluate potential risks associated with those policies and practices. The Compensation Committee has concluded that, although LIORC maintains performance-based incentive plans, the executive compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on LIORC.

None of the executive officers or directors of LIORC is permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of LIORC's securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Compensation Table

The compensation paid by LIORC to its executive officers for the period from January 1, 2017 to December 31, 2019 and to its Directors for the period from January 1, 2019 to December 31, 2019, was as follows:

Name and Principal Position	Year	Salary	Share-based awards ⁽³⁾	Non-Equity Incentive Plan Compensation	Fees Earned	All Other Compensation	Total Compensation
				Annual Incentive Plans ⁽⁴⁾			
John F. Tuer ⁽¹⁾ President and CEO and Director	2019	\$208,958	\$ 62,667	\$52,223	\$ 12,628	—	\$336,476
	2018	—	—	—	\$ 63,238	\$106,000 ⁽⁵⁾	\$169,238
William H. McNeil ⁽²⁾ Chair and Director	2019	\$ 46,042	\$ 13,833	\$11,527	\$100,210	—	\$171,612
	2018	\$255,000	\$103,275	\$86,063	—	—	\$448,338
	2017	\$220,000	\$ 66,000	\$55,000	—	—	\$341,000
James C. McCartney Executive Vice President and Director	2019	\$165,000	\$ 49,500	\$41,250	—	—	\$255,750
	2018	\$165,000	\$ 66,825	\$55,688	—	—	\$287,513
	2017	\$155,000	\$ 46,500	\$38,750	—	—	\$240,250
Sandra L. Rosch Executive Vice President and Director	2019	\$138,000	\$ 41,400	\$34,500	—	—	\$213,900
	2018	\$138,000	\$ 55,890	\$46,575	—	—	\$240,465
	2017	\$130,000	\$ 39,000	\$32,500	—	—	\$201,500
Alan R. Thomas CFO	2019	\$138,000	\$ 41,400	\$34,500	—	—	\$213,900
	2018	\$138,000	\$ 55,890	\$46,575	—	—	\$240,465
	2017	\$130,000	\$ 39,000	\$32,500	—	—	\$201,500
William J. Corcoran Director	2019	—	—	—	\$ 70,777	—	\$ 70,777
Duncan N.R. Jackman ⁽⁶⁾ . . . Director	2019	—	—	—	\$ 19,444	—	\$ 19,444
Mark J. Fuller Director	2019	—	—	—	\$ 95,519	—	\$ 95,519
Patricia M. Volker Director	2019	—	—	—	\$ 77,700	—	\$ 77,700

Notes:

- (1) Mr. Tuer was appointed President and CEO on March 7, 2019.
- (2) Mr. McNeil resigned as President and CEO on March 7, 2019.
- (3) Amounts represent an award of RSU's under the RSU Plan earned by the executive officers in that fiscal year but awarded in the subsequent fiscal year.
- (4) Amounts represent performance-based annual cash bonuses earned by the executive officers in that fiscal year but paid in the subsequent fiscal year in accordance with LIORC's annual performance framework.
- (5) LIORC paid \$56,000 to Tuer Advisory Services Limited, a corporation controlled by Mr. Tuer, for certain strategic and financial consulting services in accordance with a consulting agreement. On March 7, 2019, LIORC made a compensation adjustment for 2018 under the consulting agreement of \$50,000.
- (6) Mr. Jackman ceased to be a Director on May 16, 2019.

Incentive Plans — Outstanding Share-Based Awards

The following table sets forth information regarding share-based awards that were outstanding at December 31, 2019. All values shown in the table are based upon the closing price of the common shares on the TSX of \$24.62 per share on December 31, 2019.

Name	Number of shares or units of shares that have not vested	Market or pay-out value of share-based awards that have not vested	Market or pay-out value of vested share-based awards not paid out or distributed
John F. Tuer	—	—	—
William H. McNeil	6,330	\$155,840	—
James C. McCartney	4,227	\$104,080	—
Sandra L. Rosch	3,539	\$ 87,142	—
Alan R. Thomas	3,539	\$ 87,142	—

Incentive Plans — Value Vested or Earned During the Year

The following table discloses the aggregate value realized upon vesting of share-based awards and the value of non-equity incentive plan compensation earned, in each case during the year ended December 31, 2019.

Name	Share-based awards — Value vested during the year	Non-equity incentive plan compensation — Value earned during the year
John F. Tuer	—	\$52,223
William H. McNeil	\$29,292	\$11,527
James C. McCartney	\$20,638	\$41,250
Sandra L. Rosch	\$17,309	\$34,500
Alan R. Thomas	\$17,309	\$34,500

Miscellaneous Compensation Matters

For the year ended December 31, 2019, the total compensation of the named executive officers represents 0.5% of comprehensive net income. Messrs. Tuer, McCartney and Thomas and Ms. Rosch each have an employment contract that provides for the payment of two times his or her salary in the event of a change of control of LIORC, but no amount is payable if he or she continues as an employee of LIORC for a period longer than 90 days after the change of control.

Mr. Tuer’s performance objectives for fiscal 2019 were subjective and included managing LIORC’s corporate strategy, monitoring and overseeing LIORC’s investment in IOC, including representing LIORC on the IOC board of directors, communicating with LIORC’s Board, its stakeholders and the broader investment community, and providing leadership to LIORC’s management. Following a review of Mr. Tuer’s performance, the Compensation Committee determined that Mr. Tuer achieved a 100% target score for having achieved his objectives. The value of the performance-based annual cash bonuses paid and RSU’s granted to Mr. Tuer in respect of the year ended December 31, 2019 represented approximately 55% of his base salary in 2019.

The performance objectives set for each of the other executive officers in fiscal 2019 were also subjective. Mr. Thomas’ objectives included matters related to the treasury, accounting and financial reporting functions of LIORC, as well as managing certain administrative functions. Ms. Rosch’s objectives included conducting specific investor relations activities, as well as undertaking specific activities relating to business and financial matters. Mr. McCartney’s objectives related to specific strategic and legal matters, as well as managing certain administrative matters. Following a review of the performance of each executive officer by Mr. Tuer, the Compensation Committee determined (based on Mr. Tuer’s recommendation) that each executive officer achieved a 100% target score for having achieved his or her objectives.

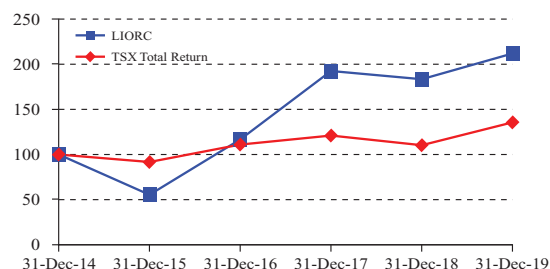
The Directors are entitled to compensation as approved by the Board. As at December 31, 2019, the annual compensation of the Directors, other than those who are also executive officers, is \$35,000 each and \$1,200 for each meeting attended. Mr. William H. McNeil serves as Chair of the Board and his annual compensation as

such is \$70,000. Mr. McNeil receives an additional \$50,000 for serving as a director of Iron Ore Company of Canada. The Chair of the Audit Committee is paid an additional \$20,000 per annum, the Chair of the Compensation Committee is paid an additional \$10,000 per annum, the Chair of the Nominating Committee is paid an additional \$10,000 per annum and the Lead Director is paid an additional \$20,000 per annum. The Directors who are also executive officers do not receive compensation for serving as Directors.

The total cash compensation paid to the named executive officers and Directors during the year ended December 31, 2019 was \$1,426,267. The total cash compensation paid to the named executive officers and Directors during the year ended December 31, 2018 was \$1,218,498. Officers' salaries and incentives and Directors' fees are not affected by the price performance of LIORC's common shares.

Performance Graph

The graph below shows the cumulative total return on a \$100 investment on December 31, 2014 in common shares of LIORC and the cumulative total return of the S&P/TSX Composite Index over the five year period ending December 31, 2019, assuming reinvestment of all distributions.



	2014	2015	2016	2017	2018	2019
LIORC	100	55.4	116.7	192.5	183.4	211.9
TSX Total Return . .	100	91.7	111.0	121.1	110.3	135.6

OTHER MATTERS

Administration Agreement

Pursuant to an administration agreement (the “**Administration Agreement**”) dated January 1, 2019 between LIORC and Suske Capital Inc. (the “**Administrator**”), the Administrator acts as administrator for LIORC and its subsidiary, Hollinger-Hanna Limited, for an aggregate annual fee of \$225,000 (payable quarterly). The Administrator has agreed to provide normal administrative functions required to support LIORC and Hollinger-Hanna Limited. The services provided by the Administrator pursuant to the administration agreement are provided by the same professional personnel who historically provided the services pursuant to an administration agreement between LIORC and Scotia Managed Companies Administration Inc. (who withdrew from the administration business in 2018). The term of the Administration Agreement expires on December 31, 2021, subject to earlier termination by either party on 90 days’ written notice for any reason or forthwith on written notice in the event of certain insolvency events, a breach that remains uncured for 30 days or the professional personnel providing the services ceasing to be actively employed by the Administrator. In addition, LIORC has agreed to reimburse the Administrator for its reasonable and documented out-of-pocket expenses and to indemnify the Administrator from certain losses arising from the Administration Agreement. The address of the Administrator is 2275 Upper Middle Road East, Suite 400, Oakville, Ontario L6H 0C3.

Interest of Certain Persons and Companies in Matters to be Acted Upon

The Directors of LIORC are not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any Director or executive officer of LIORC at any time since January 1, 2019, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting.

Corporate Governance Matters

Disclosure regarding LIORC’s corporate governance practices is set out in Appendix A to this Information Circular.

Additional Information

Additional information relating to LIORC is available on SEDAR at www.sedar.com. Additional information is also available on LIORC's website at www.labradorironore.com. Financial information is provided in LIORC's comparative financial statements and management's discussion and analysis in its 2019 Annual Report. Holders of common shares may contact LIORC at PO Box 957, STN Adelaide Toronto, Ontario M5C 2K3; telephone (416) 863-7133; email investor.relations@labradorironore.com to request copies of LIORC's financial statements and MD&A.

Shareholder Proposals for Next Year's Annual Meeting

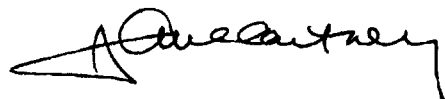
The *Canada Business Corporations Act* permits certain eligible shareholders to submit shareholder proposals to LIORC for inclusion in a management proxy circular for an annual meeting of shareholders. The final date by which LIORC must receive shareholder proposals for the annual meeting to be held in fiscal 2020 is January 1, 2021.

In addition, LIORC's By-Law No. 5 fixes a deadline by which shareholders must submit Director nominations prior to any meeting of shareholders. In the case of annual meetings, advance notice must be delivered to LIORC not less than 30 days prior to the date of the meeting. By-Law No. 5 also requires any shareholder making a Director nomination to provide certain important information about its nominees with its advance notice. Only shareholders who comply with the requirements of By-Law No. 5 will be permitted to nominate Directors to the Board unless the "advance notice" requirements of By-Law No. 5 are waived by the Board in its sole discretion. LIORC's By-Law No. 5 is available online on SEDAR at www.sedar.com and on LIORC's website at www.labradorironore.com.

Directors' Approval

The contents and sending of this Information Circular have been approved by the Directors of LIORC.

Dated the 9th day of April, 2020.



James C. McCartney
Executive Vice President

APPENDIX A
CORPORATE GOVERNANCE DISCLOSURE

Directors

- The Directors who are independent are William J. Corcoran, Mark J. Fuller, Douglas F. McCutcheon, Dorothea E. Mell and Patricia M. Volker.
- William H. McNeil, Sandra L. Rosch and John F. Tuer are officers of LIORC and are not considered to be independent.
- A majority of the Directors are independent.
- William J. Corcoran is also a director of E-L Financial Corporation. Mark J. Fuller is a director of The Empire Life Insurance Company. Douglas F. McCutcheon is a director of Worldwide Healthcare Trust PLC. Sandra L. Rosch was a director and Chair of Cline Mining Corporation until July 2015 and it filed under the *Companies' Creditors Arrangement Act* (Canada) in December 2014. Patricia M. Volker is a director of Denison Mines Corp. and The Empire Life Insurance Company.
- The independent Directors meet separately at their discretion. LIORC is a passive holder of interests in Iron Ore Company of Canada (“**IOC**”) and has no operating business. The main responsibility of the Directors is to supervise the receipt of revenues and the payment of dividends to holders of common shares. In these circumstances, LIORC does not require as much organization and structure as an operating company. All discussion, including discussion among the independent Directors, is open and candid. The Directors facilitate open and candid discussion among the independent Directors by asking non-independent Directors to recuse themselves from meetings in the event of any conflict or potential conflict of interest. The Audit Committee meets with LIORC’s auditors at least once each year without management present.
- William H. McNeil is the Chair of the Board and Mark J. Fuller is the Lead Director. As Lead Director, Mr. Fuller provides independent leadership to enable the Directors to effectively carry out their duties and responsibilities independently from the senior executives of LIORC.
- In 2019, ten meetings of the Directors were held. All of the Directors attended all of the meetings. In 2019, there were four meetings of the Audit Committee, four meetings of the Compensation Committee and two meetings of the Nominating Committee held. All members of the Committees attended all of the meetings.

Mandate

- The Directors have developed a written mandate which is attached as a Schedule hereto.

Position Descriptions

- The Directors have developed written descriptions of the responsibilities of the Chair of the Board, the Lead Director and the President and CEO. The Chairs of the committees are appointed under resolutions appointing the committees and their responsibilities are those usually applicable to the offices.

Orientation and Continuing Education

- Mr. Corcoran was an initial Trustee when the predecessor Fund was established in 1995. He underwent an initial education program. When the other Directors were first elected or appointed, they were provided with an orientation and education program regarding the role of the Board, its committees and its Directors and the nature of LIORC’s business.
- The Directors receive confidential monthly reports on the operations of IOC and periodically visit the mine and other facilities of IOC.

Ethical Business Conduct

- The Directors have adopted a written code of conduct which is posted, together with the Mandate for the Board of Directors, on LIORC's website at www.labradorironore.com. The Board of Directors monitors compliance with the code as part of its ongoing responsibilities.

Nomination of Directors

- The Nominating Committee, made up of independent Directors, is responsible for reviewing the performance and attendance record of the Directors annually and for selecting the nominees for election as Directors by the holders of common shares at each annual meeting. Mr. Fuller, the Lead Director, is the Chair of the Nominating Committee.
- The Board of Directors has approved a Board Member Skills/Needs Guideline (the "**Skills/Needs Guideline**") to ensure that the Board of Directors comprises individual Directors who, collectively, have the full range of skills, expertise and experience necessary to oversee management and otherwise fulfill its duties and responsibilities. The Nominating Committee conducts an analysis of Board member Skills/Needs regularly and reviews this analysis annually. In addition to specific desired personal attributes and competencies, the guideline identifies categories of skills, expertise and experience, including (i) general senior management, (ii) strategy, (iii) corporate finance and securities, (iv) mining, (v) investment acumen, (vi) risk management, (vii) finance, accounting and audit, (viii) governance, (ix) human resources and compensation, (x) legal and regulatory and (xi) information technology and cybersecurity.
- When a vacancy arises, or is expected to arise, the Nominating Committee:
 - reviews the Skills/Needs Guideline and updates it if required;
 - determines, according to the Skills/Needs Guideline, and in consultation with the CEO and the rest of the Board, what additional skills, experience and expertise would be of most assistance to the Board in fulfilling its duties and responsibilities;
 - advises all then-incumbent Board Members:
 - that a Board vacancy has arisen or is expected to arise;
 - of the Nominating Committee's assessment of the skills, experience and expertise that would be most desirable in the individual who fills the vacancy and presents its recommendation to the Board for approval; and
 - asks all Board members to consider and submit to the Chair of the Nominating Committee, within a specified time frame, the applications/resumes of individuals who they suggest be considered as candidates.
- The Nominating Committee receives copies of all candidates' applications/resumes, may retain a search firm to assist in the process, obtains a list of potential candidates from the Institute of Corporate Directors, meets to consider the proposed candidates and arrives at a short list of candidates, arranges meetings between the short-listed candidates and the Nominating Committee, finalizes and approves its recommended candidates from the short list, arranges for the President & CEO and other Board members to meet with its recommended candidates, conducts a reference and background check and presents the recommended candidates to the Board for its approval.

Compensation

- The Compensation Committee, made up of independent Directors, determines the fees and other compensation for the Directors and the compensation for the officers. The Compensation Committee considers the responsibilities, risks and time commitments of the Directors and the officers. The Compensation Committee is responsible for reviewing the performance of the officers. Mr. Fuller, the Lead Director, is the Chair of the Compensation Committee.

Assessments

- The Nominating Committee assesses the performance of the Directors during each year as part of the process of selecting nominees for election as Directors by the holders of common shares for the following year.

Director Term Limits

- The Directors are elected until the next annual meeting or until their successors are elected or appointed. There are no other term limits for Directors. The annual nomination and election process, including the annual review of the composition of the Board, is regarded by the Board as a sufficient mechanism of Board renewal.

Representation of Designated Groups on the Board and in Executive Officer Positions

- LIORC has an informal policy relating to the identification and nomination of women, aboriginal peoples, persons with disabilities and members of visible minorities (“designated groups”) as directors but does not currently have a written policy. The Nominating Committee actively considers diversity matters in its annual review of the composition of the Board. LIORC believes that diversity in composition, together with diversity in certain identified attributes, skills and competencies deepens insight capability. Leveraging diverse perspectives, backgrounds, skills and talents contributes to the best outcomes in board discussions and in serving a diverse population of stakeholders.
- The Nominating Committee discusses the level of representation by women on the Board at meetings held to identify and nominate candidates for election to the Board but has not yet discussed representation by members of other designated groups. Currently, three of eight, or 37.5%, of the Directors are women. In 2019, there were two women on the Board of Directors. The Chair of the Audit Committee is a woman. None of the Directors (0%) is a member of any other designated group.
- LIORC has four executive officer positions, one of which (25%) is held by a woman. None of the executive officers (0%) is a member of any other designated group.
- LIORC has not adopted targets regarding the number of members of designated groups on the Board or in executive officer positions. LIORC is a passive holding company and has no operating business. As a result, the numbers of directors and executive officers are relatively small and a target would not be meaningful.

SCHEDULE TO APPENDIX A
MANDATE FOR THE BOARD OF DIRECTORS

The board of directors of the Corporation (the “**Board**”) is elected by its shareholders and is responsible for managing, or supervising the management of, the investments and other business and affairs of the Corporation, including its subsidiary, Hollinger-Hanna Limited, and their holdings of a 7% gross overriding royalty on all products sold, delivered and shipped by Iron Ore Company of Canada (“**IOC**”), a 15.1% equity interest in IOC and a 10 cent per tonne fee on all products sold and shipped by IOC.

The Corporation is a passive holder of interests in IOC and has no operating business. The most important activity of the Board is supervising the receipt of revenues and the payment of dividends to the holders of its common shares. In these circumstances, the Corporation does not require as much organization and structure as an operating company. Accordingly, the numbers of its directors and officers are small. The Board has appointed Suske Capital Inc. as administrator of the Corporation and its subsidiary, subject to the supervision of the Board and the officers of the Corporation.

The Board discharges its responsibilities directly and through committees, including an Audit Committee, Compensation Committee and Nominating Committee. In addition to the Board’s primary responsibility of managing, or supervising the management of, the business and affairs of the Corporation, including the management of the investments of the Corporation, its responsibilities include, but are not limited to, the following:

General

1. The Board has the responsibility to manage, or to supervise the management of, the business and affairs of the Corporation, to approve policies of the Corporation and to review and approve major decisions taken by the Corporation. The stewardship of the Corporation involves the Board in strategic planning, identification of principal risks and ensuring implementation of appropriate systems to manage those risks, management appointments, succession planning and internal control integrity.

Oversight of Officers

2. The Board has the responsibility for approving the appointment of the officers of the Corporation and satisfying itself as to the integrity of the officers.
3. The Board has delegated authority to the President and Chief Executive Officer for the overall management of the Corporation, including operations to ensure the long term success of the Corporation and to maximize shareholder value.
4. The Board may from time to time delegate authority to the officers, subject to specified limits. Matters which are outside the scope of the authority delegated to the officers and material transactions are reviewed by and subject to the prior approval of the Board. The Board is responsible for the Corporation’s approach to corporate governance.

Board Organization

5. The Board has the responsibility for developing and monitoring corporate governance principles and guidelines, the selection of the Chair, the selection of nominees for election to the Board, orientation of new directors, committee and committee chair appointments, committee charters, directors’ compensation and the selection of a lead director, if any.
6. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the directors and management, the conduct of performance evaluations and oversight of internal controls systems and disclosure controls and procedures, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.
7. All Board committees will consist only of independent directors.

8. Each member of a Board committee will hold office until the next annual meeting of shareholders after the member's appointment, except that any member of a committee may be removed at any time by the Board and will cease to be a member upon ceasing to be a director. The Board may fill vacancies on any committee by appointment from among its members. If and when a vacancy exists on a committee, the remaining members of the committee may exercise all of its powers and discharge all of its duties as long as a quorum remains in office.
9. The Board will appoint one of the members of a committee to be chair of the committee. The Secretary of the Corporation will be secretary of the committee. A committee must keep minutes of its meetings in which all action taken by it is recorded. Minutes will be made available to the directors.
10. Unless otherwise provided by the Board, meetings of a committee may be held at such place, on such day and at such time as the chair of the committee determines. Notice of a meeting will be given to each member of a committee at least 48 hours before the time when the meeting is to be held, unless all members of the committee otherwise consent. At all meetings of a committee every question will be decided by a majority of the votes cast on the question, and in the case of an equality of votes the chair of the meeting will not be entitled to a second or casting vote.

Monitoring of Financial Performance and Other Financial Reporting Matters

11. The Board is responsible for exercising the powers and authorities set out in the articles and by-laws of the Corporation.
12. The Board is responsible for approving the audited and unaudited financial statements of the Corporation and the notes thereto and the related Management's Discussion and Analysis.
13. The Board is responsible for reviewing and approving material transactions involving the Corporation and/or its subsidiaries.

Policies and Procedures

14. The Board is responsible for:
 - (a) approving and monitoring compliance with all significant policies and procedures under which the Corporation is operated;
 - (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
 - (c) enforcing obligations of the Corporation respecting confidential treatment of the Corporation's proprietary information and Board deliberations.

Communications and Reporting

15. The Board is responsible for:
 - (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
 - (b) overseeing the reporting of financial results, fairly and in accordance with generally accepted accounting principles and related legal disclosure requirements;
 - (c) overseeing the integrity of the internal control and management information systems of the Corporation;
 - (d) overseeing the evaluation of the disclosure controls and procedures of the Corporation;
 - (e) overseeing the timely disclosure of any other developments that have a significant and material impact on the Corporation;
 - (f) reporting annually to shareholders on its stewardship for the preceding year; and
 - (g) overseeing the investor relations and communications strategy of the Corporation.

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