LABRADOR IRON ORE ROYALTY CORPORATION

ANNUAL GENERAL MEETING

MAY 14, 2020
NOTICE TO READER

All dollar figures are stated in Canadian ("CDN") dollars unless noted otherwise.

The information contained in this presentation is derived from publicly available sources, such as annual and quarterly financial reports and the annual information form filed by Labrador Iron Ore Royalty Corporation ("LIORC") in accordance with applicable securities laws, Rio Tinto reports and releases, news reports and analysts’ reports. Certain market and pricing data contained in this presentation has been obtained from S&P Global Platts.

This presentation may contain "forward-looking" statements that involve risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Words such as "may", "will", "expect", "believe", "plan", "intend", "should", "would", "anticipate" and other similar terminology are intended to identify forward-looking statements. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this presentation. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly, including iron ore price and volume volatility, exchange rates, the performance of Iron Ore Company of Canada ("IOC"), market conditions in the steel industry, mining risks and insurance, relationships with indigenous groups, natural disasters, severe weather conditions and public health epidemics, changes affecting IOC’s customers, competition from other iron ore producers, estimates of reserves and resources and government regulation and taxation. A discussion of these factors is contained in LIORC’s annual information form dated March 5, 2020 under the heading, "Risk Factors". Although the forward-looking statements contained in this presentation are based upon what management of LIORC believes are reasonable assumptions, LIORC cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this presentation and LIORC assumes no obligation, except as required by law, to update any forward-looking statements to reflect new events or circumstances. This presentation should be viewed in conjunction with LIORC’s other publicly available filings, copies of which can be obtained electronically on SEDAR at www.sedar.com.
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<th>First Quarter</th>
<th>Fiscal Year</th>
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<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>($ in millions except per share information)</td>
<td></td>
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<tr>
<td>Revenue</td>
<td>48.3</td>
<td>39.2</td>
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<tr>
<td>Net Income</td>
<td>46.7</td>
<td>39.3</td>
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<tr>
<td>Adjusted Cash Flow from Operations&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>26.8</td>
<td>21.5</td>
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<tr>
<td>Net Income per Share</td>
<td>$0.73</td>
<td>$0.61</td>
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<tr>
<td>Adjusted Cash Flow from Operations per Share&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$0.42</td>
<td>$0.34</td>
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<sup>(1)</sup> Adjusted cash flow equals cash flow from operating activities, as adjusted for changes in amounts receivable, accounts payable and income taxes payable.

<sup>(2)</sup> Includes IOC dividends totaling $110.1 million or $1.72 per share.

<sup>(3)</sup> Includes IOC dividends totaling $83.9 million or $1.31 per share.
IOC PRODUCTION

- IOC produced 17.9 million tonnes of CFS and pellets in 2019

- 2020 guidance for saleable production is 17.9 to 20.4 million tonnes
  - Q1 2020 production was 4.4 million tonnes, up 3% from Q1 2019

- Given the relatively stronger demand for CFS, IOC has shifted production to focus on CFS by temporarily shutting 2 of 6 pellet lines
IRON ORE PRICES

- CFS prices remain strong on Chinese demand
  - Platts 65% Fe Index averaged US$104 in Q1 2020 consistent with the 2019 annual average
  - Average spread between 65% Fe and 62% Fe rose to $15 in Q1, 2020, up from 2019 annual average of US$11
- Pellet premiums are lower due to weaker demand for European and North American steel
  - Platts pellet premium for Atlantic Basin BF pellets averaged US$29 per tonne in Q1 2020 down from 2019 annual average of US$57
**RECORD LIORC CASHFLOW**

- Strong iron ore prices in 2019 resulted in record adjusted cash flow from royalty and IOC dividends of $3.25 per share
  - As compared to an average of $1.79 per share over prior 8 years
- Q1, 2020 Adjusted Cash Flow of $0.42 per share
  - As compared to $0.34 in Q1, 2019

Note:
(1) Cashflow from Royalty means total Adjusted Cashflow less IOC Dividend
The COVID-19 pandemic has resulted in reduced global output and significant economic uncertainty.

In the short-term, there is potential for increased variability of earnings and volatility of the trading price of shares.

Despite this increased uncertainty and decrease in global output, LIORC remains an attractive long-term investment.

- IOC continues to operate safely within COVID-19 provincial government guidelines.
- Benchmark prices for concentrate have remained attractive despite the global economic slowdown and the decrease in demand for steel in Europe and North America.
- Provided IOC continues to operate, LIORC’s Royalty structure allows it to continue to receive cashflows regardless of the economic environment.
  - IOC has operated for over 50 years without a shut down due to market conditions.
  - Rio Tinto is a world class operator.
  - IOC controls all its own infrastructure.
  - The lower Canadian dollar improves IOC’s operating margins.
- LIORC has a strong balance sheet with no debt and cash and working capital of over $30 million.
- With IOC’s long mine life and LIORC’s recent renewal of its mining leases for another 30 years, shareholders can expect cash flows to continue well into the future.