

LABRADOR IRON ORE ROYALTY CORPORATION

INSIDER TRADING POLICY

1. Introduction

Labrador Iron Ore Royalty Corporation (“**LIORC**”) encourages all officers and directors to become shareholders of LIORC on a long-term investment basis. These individuals will, from time to time, become aware of corporate developments or plans or other information that may affect the value of LIORC’s securities before these developments, plans or information are made public. Trading securities of LIORC while in possession of such information before it is generally disclosed (known as “insider trading”), or disclosing such information to third parties before it is generally disclosed (known as “tipping”), is against the law and may expose an individual to criminal prosecution or civil lawsuits. Such action will also result in serious reputational damage and a lack of confidence in the market for LIORC’s securities, harming both LIORC and its shareholders. Accordingly, LIORC has established this Insider Trading Policy (the “**Policy**”) to assist its consultants, officers and directors in complying with the prohibitions against insider trading and tipping.

The procedures and restrictions set forth in this Policy are only a general framework to assist LIORC Personnel, as defined below, in ensuring that any purchase or sale of securities occurs without actual or perceived violation of applicable securities laws. LIORC Personnel have the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances.

2. Application

2.1 *Persons that are Subject to this Policy*

The following persons are expected to observe and comply with this Policy:

- (a) all directors, officers and employees (if any) of LIORC or its affiliates including its subsidiaries;
- (b) any other person retained by or engaged in business of professional activity with or on behalf of LIORC or any of its subsidiaries (such as an administrator, consultant, independent contractor or adviser);
- (c) any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in Sections 2.1(a) and (b) above; and
- (d) partnerships, trusts, corporations, R.R.S.P.’s and similar entities over which any of the above-mentioned individuals exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as “**LIORC Personnel**”. Sections 2.1(c) and (d) should be carefully reviewed by LIORC Personnel; those sections have the effect of making various family members or holding companies or trusts of the persons referred to in Sections 2.1(a) and (b) subject to the Policy.

2.2 Trades that are Subject to this Policy

Under this Policy, all references to trading in securities of LIORC include: (a) any sale or purchase of securities of LIORC, including the exercise of stock options granted under LIORC's stock option plan, if any, and the acquisition of shares or any other securities pursuant to any LIORC benefit plan or arrangement, and (b) any derivatives-based or other transaction or arrangement that would be required to be reported by insiders in accordance with applicable laws or regulations relating to derivatives or equity monetization transactions.

3. Inside Information

"Inside Information" means:

- a change in the business, operations or capital of LIORC or any of its subsidiaries that would reasonably be expected to have a significant effect on the market price or value of the securities of LIORC (which includes any decision to implement such a change by LIORC's Board of Directors or by senior management who believe that confirmation of the decision by LIORC's Board of Directors is probable); or
- a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of LIORC;

in each case, which has not been generally disclosed.

"generally disclosed" means the public disclosure of information in a manner reasonably intended to result in broad dissemination to the marketplace and the passage of sufficient time to permit adequate dissemination in the market and to give investors reasonable time to analyze the information.

It is the responsibility of any LIORC Personnel contemplating a trade in securities of LIORC to determine prior to such trade whether he or she is aware of any information that constitutes Inside Information. If in doubt, the individual should consult with an Insider Trading Policy Administrator (as defined under Section 11.2). In addition, Section 6.1 of this Policy requires that certain LIORC Personnel pre-clear trades in securities of LIORC.

4. Prohibition Against Trading on Inside Information

LIORC Personnel must not purchase, sell or otherwise trade securities of LIORC with the knowledge of Inside Information until:

- (a) the second business day after the disclosure to the public of the Inside Information, whether by way of press release or a filing made with securities regulatory authorities; or
- (b) the Inside Information ceases to be material (e.g. a potential transaction that was the subject of the information is abandoned, and either LIORC Personnel are so advised by an Insider Trading Policy Administrator or such abandonment has been generally disclosed).

In addition, LIORC Personnel must not make any trades in securities of LIORC during the black-out periods described in Section 6 of this Policy.

5. Prohibition Against Speculating, Short-Selling, Puts and Calls and Hedging

Certain types of trades in securities of LIORC by LIORC Personnel can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of LIORC. LIORC Personnel are therefore prohibited at any time from, directly or indirectly, undertaking any of the following activities:

- (a) speculating in securities of LIORC, which may include buying with the intention of quickly reselling such securities, or selling securities of LIORC with the intention of quickly buying such securities (other than in connection with the acquisition and sale of shares issued under LIORC's stock option plan, if any, or any other LIORC benefit plan or arrangement);
- (b) buying LIORC's securities on margin;
- (c) short selling a security of LIORC or any other arrangement that results in a gain only if the value of LIORC's securities declines in the future;
- (d) selling a "call option" giving the holder an option to purchase securities of LIORC; and
- (e) buying a "put option" giving the holder an option to sell securities of LIORC.

LIORC Personnel are prohibited from purchasing 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 LIORC Personnel.

6. Restrictions on Trading of LIORC Securities

6.1 *Trading Pre-Clearance*

To assist each of the LIORC Personnel specified below to avoid any trade in securities of LIORC that may contravene or be perceived to contravene applicable securities laws, these individuals are required to notify an Insider Trading Policy Administrator of any proposed trade of securities of LIORC **before effecting the trade** in order to confirm that there is no Inside Information that has not been generally disclosed:

- (a) all directors and officers of LIORC or its subsidiaries;
- (b) an individual that is notified by an Insider Trading Policy Administrator that the individual's trades in securities of LIORC will be subject to pre-clearance in accordance with this Policy; and
- (c) a family member, spouse or other person living in the household or a dependent child of any of the foregoing individuals.

Any LIORC Personnel proposing to trade in securities of LIORC must notify an Insider Trading Policy Administrator of the proposed trade via email. The Insider Trading Policy Administrator will advise via email whether LIORC reasonably believes that there is Inside Information that has not been generally disclosed or otherwise anticipates that the proposed trade will contravene

applicable securities laws or this Policy, and whether or not the proposed trade may be made. An Insider Trading Policy Administrator will use reasonable efforts to respond to requests within two business days.

6.2 Scheduled Black-out Periods

No LIORC Personnel will trade in securities of LIORC during the following periods (otherwise known as a “**black-out period**”):

- (a) except for the fourth quarter, the period commencing on the last day of the fiscal quarter, or such earlier date as the Chief Executive Officer or Chief Financial Officer may determine, and ending on the second business day following the date on which a press release has been issued in respect of LIORC’s interim financial statements; and
- (b) in the fourth quarter, the period commencing on a date to be set by the Chief Executive Officer and Chief Financial Officer, and communicated to LIORC Personnel, and ending on the second business day following the date on which a press release has been issued in respect of LIORC’s annual financial statements.

The trading restrictions described above also apply to the exercise of stock options granted under LIORC’s stock option plan, if any, and any other securities that may be acquired pursuant to any LIORC benefit plan or arrangement.

6.3 Extraordinary Black-out Periods

Additional black-out periods may be prescribed from time to time by an Insider Trading Policy Administrator at any time at which it is determined there may be undisclosed Inside Information concerning LIORC that makes it inappropriate to be trading. In such circumstances, an Insider Trading Policy Administrator will issue a notice instructing these individuals not to trade in securities of LIORC until further notice. This notice will contain a reminder that the fact that there is a restriction on trading may itself constitute Inside Information or information that may lead to rumours and must be kept confidential.

6.4 Exemptions to Trading Prohibitions During Black-out

Individuals subject to a black-out period who wish to trade securities of LIORC may apply to an Insider Trading Policy Administrator via email for approval to trade securities of LIORC during the black-out period. Any such request should describe the nature of and reasons for the proposed trade. The Insider Trading Policy Administrator will consider such requests and inform the requisitioning individual via email whether or not the proposed trade may be made. The requisitioning individual may not make any such trade until he or she has received the specific approval from an Insider Trading Policy Administrator.

7. Prohibition Against Tipping

LIORC Personnel are prohibited from communicating Inside Information to any person outside LIORC, unless: (a) disclosure is in the necessary course of LIORC’s business provided that the person receiving such information first enters into a confidentiality agreement in favour of LIORC (which should contain, among other things, an acknowledgement by the recipient of the requirements of applicable securities laws relating to such recipient trading securities with

knowledge of a material fact or material change in respect of LIORC that has not been generally disclosed and to such recipient disclosing information to another person or company such material fact or material change) and the disclosure is made pursuant to the proper performance by such LIORC Personnel of his or her duties on behalf of LIORC; (b) disclosure is compelled by judicial process; or (c) disclosure is expressly authorized by LIORC's Board of Directors.

Subject to the above, Inside Information is to be kept strictly confidential by all LIORC Personnel until after it has been generally disclosed. Discussing Inside Information within the hearing of, or leaving it exposed to, any person who has no need to know is to be avoided at all times. LIORC Personnel with knowledge of Inside Information will not encourage any other person or company to trade in the securities of LIORC, regardless of whether the Inside Information is specifically communicated to such person or company.

If LIORC Personnel have any doubt with respect to whether any information is Inside Information or whether disclosure of Inside Information is in the necessary course of business, the individual is required to contact an Insider Trading Policy Administrator.

8. Securities of Other Companies

In the course of LIORC's business, LIORC Personnel may obtain information about another publicly traded company that has not been generally disclosed. Securities laws generally prohibit such LIORC Personnel from trading in securities of that other company while in possession of such information or communicating such information to another person. The restrictions set out in this Policy apply to all LIORC Personnel with respect to both trading in the securities of another company while in possession of such information, and communicating such information.

9. Reporting Requirements

The directors, certain officers and certain other employees of LIORC and its subsidiaries are "**Reporting Insiders**" under applicable securities laws. Reporting Insiders are required to file reports with Canadian provincial securities regulators, pursuant to the electronic filing system known as SEDI, of any direct or indirect beneficial ownership of, or control or direction over, securities of LIORC and of any change in such ownership, control or direction. In addition, Reporting Insiders must also include in their reports any monetization, non-recourse loan or similar arrangement, trade or transaction that changes the Reporting Insider's economic exposure to or interest in securities of LIORC and which may not necessarily involve a sale, whether or not required under applicable law.

It is the responsibility of each Reporting Insider (and not LIORC) to comply with these reporting requirements, and Reporting Insiders are required to provide an Insider Trading Policy Administrator with a copy of any insider report completed by the Reporting Insider concurrent with or in advance of its filing. LIORC will assist any Reporting Insider in the preparation and filing of insider reports upon request.

10. Enforcement

All directors, officers, employees and consultants of LIORC and its subsidiaries will be provided with a copy of this Policy. It is a condition of their appointment, employment or engagement that each of these persons at all times abide by the standards, requirements and procedures set out in this Policy unless a written authorization to proceed otherwise is received from an Insider Trading Policy Administrator. Any such person who violates this Policy may face disciplinary

action up to and including termination for cause of his or her employment or appointment with or engagement by LIORC without notice. The violation of this Policy may also violate certain securities laws. If it appears that a director, officer, employee or consultant may have violated such securities laws, LIORC may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

11. Administration of the Policy

11.1 *Changes to the Policy*

The Board will review this Policy annually to ensure that it is effective in achieving its objectives and may recommend changes to such objectives or this Policy, or may recommend additional objectives, as appropriate.

11.2 *Responsible Officer*

LIORC's Board of Directors will designate one or more individuals from time to time as Insider Trading Policy Administrators for the purpose of administering this Policy. At the date hereof, the designated Insider Trading Policy Administrators are the Chief Executive Officer and the Corporate Secretary.

12. Date

Current as of November 5, 2020.