

Houston Iron Royalties Limited

Notice of Annual and Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that an annual and special meeting of the shareholders (the “**Meeting**”) of Houston Iron Royalties Limited (the “**Corporation**”) will be held on Wednesday, the 28th day of October, 2020 commencing at 12:30 p.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the fiscal year ended March 31, 2020, together with the report of the auditors thereon;
2. to elect two Directors;
3. to pass a special resolution exempting the Corporation from the statutory requirement to appoint an auditor for the financial year ending March 31, 2021; and
4. to transact such further or other business as may properly come before the Meeting or any adjournment(s) thereof.

ATTEND THE MEETING BY TELECONFERENCE

In the context of the effort to mitigate potential risks to health and safety associated with the COVID-19 Pandemic, and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the Meeting will be held by teleconference. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out in the Notice of Meeting.

To allow the Shareholders to participate at the Meeting, the Company is providing a teleconference facility that can be used by Shareholders to follow the conduct of the Meeting in real time and to ask questions during the question period.

Teleconference Details:

Date: Wednesday, October 28, 2020

Time: 12:30 p.m. (Eastern Standard Time)

Participants Telephone Numbers:

Teleconference Only

Canada:	416-764-8610
N.A. Toll Free	1-888-884-4539
Guest Code:	8594733#

When prompted, please provide your name, and whether you are a shareholder or a guest.

DATED at the City of Toronto, the Province of Ontario, this 14th day of September 2020.

BY ORDER OF THE BOARD OF DIRECTORS

“John F. Kearney”

John F. Kearney, *Chairman & Chief Executive*

About Houston Iron Royalties Limited

Houston Iron Royalties Limited (“HIRL”) is a royalty investment company which holds a royalty interest equal to 2% of the sales proceeds (FOB Port of Sept-Iles) from sales of iron ore from the Houston Project of **Labrador Iron Mines Limited** (“LIM”), located in western Labrador and north-eastern Quebec, Canada.

HIRL and LIM share common management, directors and head office location. HIRL’s head office is located at 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7, Canada. LIM provides management and administrative services to HIRL at LIM’s actual direct cost.

HIRL was inactive during the years ended March 31, 2020 and 2019. The Houston Project is not currently in production. For more information on the Houston Project, please visit LIM’s website at www.labradorironmines.ca.

A copy of the Financial Statements of the Corporation for the financial year ended March 31, 2020 together with the report of the auditors thereon accompany this Notice of Annual and Special Meeting and are also available on LIM’s website at www.labradorironmines.ca.

HOUSTON IRON ORE PROPERTY

The Houston property (“Houston”), is situated in Labrador about 25 km southeast of the town of Schefferville. Together with the Malcolm Deposit, considered to be its northwest extension, the Houston deposits are estimated to contain a resource of 40.6 million tonnes grading 57.6% iron (“Fe”).

The capital investment to put Houston into production is relatively modest, and the lead time for development relatively short, compared with most other iron ore projects under development in the Labrador Trough. Subject to securing financing, the Company plans to pursue development of the Houston Project and resume mining operations when economic conditions warrant.

The revised development plan is based on lower-cost dry crushing and screening only. LIM has identified a higher-grade component of this resource, 20 million tonnes at an average grade of 62% Fe, at a 58% cut-off grade, that is amenable to dry crushing and screening. The initial mine plan will focus on this higher-grade component. The Houston deposits also contain harder ore than the James mine and are anticipated to produce a larger proportion of premium lump product. When in full production, the Houston-Malcolm deposits are expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of 10 years.

In 2012, following the submission of a project registration to the Government of Newfoundland and Labrador for the development of the Houston #1 and #2 deposits, including a haul road and a new railway siding, the Minister of Environment and Conservation informed the Company that, in accordance with the Environmental Protection Act, the Houston 1 and 2 Deposits Mining Project was released from further environmental assessment, subject to a number of conditions.

Development of the Houston Project is subject to the availability of development financing. and securing such development financing requires market confidence that an improved level of iron ore prices will be sustained. There are no assurances that LIM will be successful in obtaining the required financing and if LIM is unable to obtain such financing, the development of Houston will be postponed.