Labrador Iron Mines Holdings Limited

Notice of Annual Meeting of Shareholders to be held September 18, 2013

Management Information Circular

August 19, 2013

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LABRADOR IRON MINES HOLDINGS LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of the shareholders of Labrador Iron Mines Holdings Limited (the "**Corporation**") will be held at the TMX Broadcast Centre Gallery, First Canadian Place, 130 King Street West, Main Floor, Toronto, Ontario on Wednesday, the 18th day of September 2013 at 11:30 a.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, 2013, together with the report of the auditors thereon;
2. to elect Directors;
3. to appoint the auditors for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the auditors;
4. to transact such further or other business as may properly come before the Meeting or any adjournment(s) thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Corporation's information circular (the "**Circular**") dated August 19, 2013.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of Proxy.

DATED at the City of Toronto, the Province of Ontario, this 19th day of August, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

"*John F. Kearney*"

John F. Kearney
Chairman and Chief Executive Officer

NOTES:

1. A Management Information Circular and a Proxy for holders of common shares accompany this Notice of Meeting. Shareholders who are unable to be present at the Meeting are kindly requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted and to sign, date and return same in accordance with the instructions set out in the Proxy and the Management Information Circular.
2. As provided under the *Business Corporations Act* (Ontario), the Directors have fixed a record date of August 19, 2013. Accordingly, shareholders registered on the books of the Corporation at the close of business on August 19, 2013 are entitled to Notice of the Meeting.
3. A copy of the consolidated financial statements of the Corporation for the financial year ended March 31, 2013 has been mailed to shareholders of the Corporation who have requested it and is available on SEDAR at www.sedar.com and on the Corporation's website at www.labradoriron mines.ca.
4. If you are a beneficial shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

Labrador Iron Mines Holdings Limited

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MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the "**Circular**") is furnished in connection with the solicitation by management of Labrador Iron Mines Holdings Limited (the "**Corporation**") of proxies to be used at the annual meeting of shareholders of the Corporation (the "**Meeting**") referred to in the accompanying Notice of Annual Meeting of Shareholders (the "**Notice**") to be held on Wednesday, September 18, 2013, at the time and place and for the purposes set forth in the Notice. **The solicitation will be made primarily by mail, but proxies may also be solicited in person or by telephone, by regular employees of the Corporation. The cost of solicitation will be borne by the Corporation. The information contained herein is given as of August 19, 2013, unless indicated otherwise.**

APPOINTMENT OF PROXIES

As a registered shareholder, ("**Registered Shareholder**") you may wish to vote by proxy whether or not you are able to attend the Meeting in person.

The individuals named in the form of proxy provided by the Corporation (the "**Proxy**") are directors or officers of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

The only methods by which you as a Registered Shareholder may appoint a person as your proxy are by submitting a completed, dated and signed Proxy to the Corporation's transfer agent, Olympia Transfer Services Inc. ("**Olympia Transfer**"), by **mail or delivery** to **Suite 920, 120 Adelaide Street West, Toronto, Ontario, M5H 1T1**, by **fax** to **416-364-1827**, by **email** to **proxy@olympiatrust.com** or over the **Internet** at Olympia Transfer's website at **https://secure.olympiatrust.com/proxy,** or as described in the instructions accompanying the Proxy.

A Proxy will not be valid unless completed, dated, signed and received by Olympia Transfer at least 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting, or any adjournment thereof.

VOTING BY PROXY

Your shares will be voted for or against, or withheld from voting on each item listed on the Proxy in accordance with your instructions on your Proxy.

If you do not specify how you want to vote on any item listed on the Proxy, the directors or officers named in the Proxy will vote the shares represented by the Proxy FOR the approval of that item.

If you choose to appoint someone other than the directors or officers named in the Proxy to vote on your behalf at the Meeting, he or she will vote your shares in accordance with your instructions. On items for which you do not specify how you want to vote, your proxyholder will vote your shares as he or she sees fit.

The Proxy also gives discretionary authority to the proxyholder, whether a director or officer of the Corporation or a person named by you, to vote your shares as he or she sees fit on any other matter that may properly come before the Meeting.

Beneficial Shareholders

The information set forth in this section is of importance to many shareholders, since a substantial number of shareholders are Beneficial Shareholders whose shares are not registered in their own names.

The shares of a Beneficial Shareholder will be registered in the name of one of the following:

(a) an intermediary that you deal with in respect of your shares, such as, among others, a bank, a trust company, a securities dealer or broker, a trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or

(b) a clearing agency (such as The Canadian Depository for Securities Limited in Canada or Cede & Co. in the United States) of which your intermediary is a participant,

all of which are referred to as "**Intermediaries**" in this information circular.

Shares held for Beneficial Shareholders by Intermediaries can only be voted at the Meeting upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares held for Beneficial Shareholders. **Therefore, if you are a Beneficial Shareholder, you should ensure that your voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Beneficial Shareholders may have been sent voting instructions, in the form of a voting instruction form ("**VIF**") instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct its Intermediary how to vote on behalf of the Beneficial Shareholder. VIFs should be completed and returned in accordance with the specific instructions noted on the VIF.

If you are a Beneficial Shareholder who received a VIF and you wish to attend the Meeting or have someone else attend on your behalf, you may complete the appointment section of the VIF, inserting the name of the person (you or someone else) whom you wish to appoint to attend and vote your shares at the Meeting. **Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.**

REVOCATION OF PROXIES

Any Registered Shareholder who has returned a Proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing, including a Proxy bearing a later date, executed by the Registered Shareholder or

by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting. **Only Registered Shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the Proxy, the shares will be voted or withheld from voting in accordance with the specifications so made. **Where shareholders have properly executed Proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named Proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed Proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of common shares in the capital of the Corporation ("**Common Shares**") of record at the close of business on August 19, 2013 (the "**Record Date**") will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. However, such holder will **not** be entitled to vote to the extent that such holder has transferred any Common Shares after the Record Date and the transferee of such Common Shares establishes proper ownership thereof and demands, not later than ten days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote.

As of August 19, 2013, the Corporation had 126,200,807 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share. The Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "***LIM***".

To the knowledge of the Corporation's directors and executive officers, the following table lists all persons or companies who beneficially own, control or direct, directly or indirectly, 10% or more of the outstanding Common Shares:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed (Directly or Indirectly)	Percentage of Issued and Outstanding Common Shares as of August 19, 2013
Anglesey Mining plc(1)	19,289,100	15.3%

(1) Held through its wholly-owned subsidiary Labrador Iron plc.

As at the date hereof, the directors and senior officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over approximately 3.17% of the outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. RECEIVING THE FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the fiscal year ended March 31, 2013 together with the Auditors Report thereon are available on the Corporation's website at www.labradorironmines.ca or under the Corporation's Profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com and have been mailed to the Corporation's registered and Beneficial Shareholders who requested them. Management will review the Corporation's financial results at the Meeting, and shareholders will be given an opportunity to discuss these results with management.

2. ELECTION OF DIRECTORS

Under the constating documents of the Corporation, the board of directors of the Corporation (the "Board" or the "Directors") consist of a minimum of three and a maximum of nine Directors, to be elected annually. The Board currently consists of seven Directors, and management proposes to nominate seven Directors for election to the Board at the Meeting. Each Director holds office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Corporation's by-laws.

The management representatives named in the attached form of proxy intend to vote the Common Shares represented by such proxy FOR the election of each of the Directors listed in this information Circular unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect to the election of such Director.

Currently, votes must be cast by shareholders either "for" the election of a director on an individual basis, or such shares may be "withheld" from voting for the election of a director. A vote "withheld" is not a "vote" in law and will not be counted in the calculation of the votes cast on a resolution.

The Board of Directors of the Corporation has considered the adoption of a majority voting policy, which would provide that a director who receives a majority of "withheld" votes should tender his resignation, promptly after the meeting, for the Board's consideration and the Board's decision to accept or reject the resignation disclosed to the public by press release.

The Board has not adopted a "majority voting policy" for director elections as it believes that such a policy would not be appropriate or beneficial to the Corporation at this time, given its current size, needs and stage of development which necessitates continuity and consistency of leadership and direction. The Board believes that the current plurality voting process on an individual director basis appropriately ensures that views of shareholders are recognized. A majority voting policy does not apply in circumstances involving contested director elections. The Board will review and consider its position on the adoption of a majority voting policy on a periodic basis.

As required by policies of the Toronto Stock Exchange (the "TSX"), the Company will publicly disclose the votes record for the election of each director following the Meeting and will disclose to the TSX should any director receive a majority of "withheld" votes.

Management does not contemplate that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy will have the right to vote for other nominees at their discretion.

The following table sets out the name of each of the persons proposed to be nominated for election as a Director, all positions and offices in the Corporation held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a Director of the Corporation (where applicable) and the approximate number of Common Shares that each has advised are beneficially owned (directly or indirectly) or subject to his control or direction.

Name and Municipality of Residence and Position held with the Corporation	**Principal Occupation During the Preceding Five Years**	**Director Since**	**Common Shares beneficially owned, controlled or directed, directly or indirectly - as at August 19, 2013**
John F. Kearney(5) Toronto, Ontario Chairman, Chief Executive and Director	Mining Executive Chairman and Chief Executive of the Corporation; Chairman and Chief Executive of Canadian Zinc Corp; and Chairman of Anglesey Mining Plc.	May, 2007	3,440,101
D. William Hooley(5) Rhos-on-Sea, Wales, United Kingdom Vice-Chairman and Director	Mining Engineer Chief Executive of Anglesey Mining plc (Prior to November 2011, President and Chief Operating Officer of the Corporation).	May, 2007	56,250
Danesh K. Varma(5) Kingston, Surrey United Kingdom Director	Chartered Accountant Chief Financial Officer of Minco plc, Xtierra Inc., and Conquest Resources Limited. Prior to November 2012 Chief Financial Officer of the Corporation.	November, 2012	150,000
Matthew Coon Come(2)(3)(4) Gatineau, Quebec Director	Grand Chief of the Grand Council of the Crees and the Cree Regional Authority.	August, 2007	Nil
Eric W. Cunningham(2)(3)(4) Toronto, Ontario Director	Mining Consultant.	August, 2007	125,000
Gerald Gauthier(4) Toronto, Ontario Director	Mining Engineer President and Chief Operating Officer of Xtierra Inc.	August, 2007	75,000
Richard Lister(2)(3) Toronto, Ontario Director	Retired Mining Executive.	August, 2007	150,000

Notes:
(1) The information as to common shares beneficially owned or over which the above-named Directors exercise control or direction, not being within the knowledge of the Corporation, has been furnished by the respective Directors individually.
(2) Independent director and Member of the Corporation's Audit Committee.
(3) Independent director and Member of the Corporation's Compensation Committee.
(4) Independent director and Member of the Corporation's Health and Safety Committee
(5) Director of Anglesey Mining plc.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no proposed Director:

(a) is, as at the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

(c) As at the date of this Circular, or was within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(i) was subject to an Order[(1)] that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an Order[(1)] that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event while that person was acting in the capacity as director, chief executive officer or chief financial officer; and

(d) has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision,

except that:

Danesh Varma was President and Managing Director of American Resource Corporation Limited in respect of which a cease trade Order was issued in June, 2004 for failure to file its financial statements. The cease trade order was revoked on June 18, 2008. Mr. Varma resigned as a director of American Resource Corporation Limited in September 2007.

[(1)]For the purposes of the forthcoming, an "**Order**" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case that was in effect for a period of more than 30 consecutive days.

The Board of Directors

The following information relates to the Directors of the Corporation.

John F. Kearney, *Age 62, Chairman, Chief Executive Officer and Director*.

Mr. Kearney is the Founder, Chairman and Chief Executive of the Corporation. Since its formation in 2005, he has led the development of the Corporation's Schefferville iron ore projects, raising financing of close to $300 million, to undertake the development construction and operation of Canada's newest iron ore mine. With over 41 years of experience in the mining industry, he has served as Chairman and Director of numerous public mining and exploration companies, including Anglesey Mining plc. He is also currently a director and member of the executive committee of the Mining Association of Canada and a director and past President of the NWT & Nunavut Chamber of Mines. Mr. Kearney is a member of the Canadian Institute of Mining and Metallurgy, the Prospectors and Developers Association of Canada and the Law Society of Ireland.

D.W. (Bill) Hooley, *Age 66, Vice-Chairman and Director.*

Mr. Hooley is Chief Executive of Anglesey Mining plc and from 2005 until November 2011, was President and Chief Operating Officer of the Corporation. Mr. Hooley is a professionally qualified mining engineer and has 45 years of experience in the world-wide mineral industry. Previously, he was the Managing Director of Micon International Ltd. from 2000 to 2005. In addition, he held various management and executive posts with mining and service companies in the UK and Australia from 1975 to 1999. He holds a degree in mining engineering from the Royal School of Mines, Imperial College London. Mr. Hooley is also a Fellow of the Australasian Institute of Mining and Metallurgy.

Matthew Coon Come, *Age 57, Director*.

Mr. Coon Come is Grand Chief of the Grand Counsel of the Crees (Eeyou Istchee) and the Cree Regional Authority and a former Chairperson of the Cree National Trust. He was National Chief of the Assembly of First Nations from 2000 to 2003 and previously was Grand Chief of the Grand Counsel of the Crees in Québec from 1987 to 1999. Earlier he served two terms as Chief of the Mistissini First Nation. Mr. Coon Come is a Founding Member of the Board of Compensation of the Cree Nation and has been a director of Creeco, AirCreebec, Cree Regional Intercompany Enterprise Company and Cree Construction Company, and Chairman of Cree Housing Corporation and James Bay Native Development Corporation. He was a founding director of the First Nations Bank of Canada. He was awarded Honorary Doctorate of Laws degrees by Trent University in 1998 and by the University of Toronto in 2000.

Eric W. Cunningham, *Age 73, Director*.

Mr. Cunningham has been engaged as an independent mining consultant since 1996. He was formerly a director of Aurora Energy Resources Inc. and Viceroy Exploration Ltd. Mr. Cunningham was the joint owner of the Golden Kopje Mine in Zimbabwe from 1997 to 2001 and general manager and director of Trillion Resources Inc. He was previously a Manager with Wright Engineers, and held various positions with Sherritt Gordon Mines. Mr. Cunningham holds a B.Sc in Geology from Rhodes University in South Africa.

Gerald Gauthier, *Age 67, Director.*

Mr. Gauthier is a mining engineer and is currently President and Chief Operating Officer of Xtierra Inc. From August 2005 to June 2008 he was Chief Operating Officer of Nevsun Resources Ltd. and from December 2002 until April 2004, Vice-President, Mining of Glencairn Gold Corp. Mr. Gauthier served as President and CEO of United Keno Hill Mines Limited from 1999 to 2001 and as President and COO of Santa Cruz Gold Inc. prior to 1999. Mr. Gauthier was formerly Senior Vice-President, Operations of Lac Minerals Limited.

Richard Lister, *Age 74, Director*.

Dr. Lister has over 48 years of experience in the mining, metallurgical and chemical industries. He has served as President and CEO of Zemex Corporation, Vice Chairman of Dundee Bancorp Inc. and Chairman and President of Campbell Resources Inc. Dr. Lister holds the degrees of Bachelor of Science, Master of Science and a Doctor of Philosophy from the University of Toronto.

Danesh K. Varma, *Age 63, Director*.

Mr. Varma is currently Chief Financial Officer and Secretary of Anglesey Mining Plc and Minco Plc. He served as Chief Financial Officer of the Corporation from 2007 until November 2012. Mr. Varma is a chartered accountant with over 30 years of experience in the mining finance industry; having been a director of American Resource Corporation, Northgate Exploration Ltd. and Westfield Minerals Ltd. Mr. Varma is also Chief Financial Officer of Xtierra Inc. and Conquest Resources Limited and is a director of Brookfield Infrastructure Partners L.P. and Anglesey Mining Plc.

Participation of Directors in Board Meetings

The following table summarizes the number of meetings the current Directors attended since the beginning of the fiscal year ended March 31, 2013.

Name of Director	Board of Directors	Audit Committee	Health & Safety Committee	Compensation Committee
Matthew Coon Come	14/15	5/5	3/3	4/4
Eric Cunningham	14/15	4/5	2/3	4/4
Gerald Gauthier	15/15	N/A	3/3	N/A
D. William Hooley	15/15	N/A	N/A	N/A
John Kearney	15/15	N/A	N/A	N/A
Richard Lister	15/15	5/5	N/A	4/4
Terence McKillen(1)	8/8	N/A	N/A	N/A
Danesh Varma(1)	7/7	N/A	N/A	N/A

Notes:

(1) Mr. McKillen retired in November 2012 and Mr. Varma was appointed in November 2012.

Directors who are not able to attend a meeting are provided with the agenda and with any reports and information on the business to be considered by the Board or a committee at the meeting and have the opportunity to communicate their observations or recommendations to the Chairman prior to the meeting.

Director Compensation and Equity Ownership

Directors who are not officers or employees of the Corporation or of any of its subsidiaries are compensated for their services as Directors through annual retainers. Directors are also reimbursed for out-of-pocket expenses incurred in attending meetings and otherwise carrying out their duties as Directors of the Corporation. The Compensation Committee reviews the independent director compensation arrangements each year to ensure that they are reasonable in light of the time commitments required from Directors and to align Directors' interests with the interests of shareholders. Director compensation is considered in the context of the overall stewardship and governance of the Corporation.

The following table shows director compensation for each Director, other than Directors that are also Named Executive Officers, for the year ended March 31, 2013.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)(1)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Matthew Coon Come	32,500	70,000	4,214	Nil	Nil	Nil	106,714
Eric Cunningham	34,000	70,000	4,214	Nil	Nil	Nil	108,214
Gerald Gauthier	34,000	70,000	4,214	Nil	Nil	Nil	108,214
William Hooley	Nil	Nil	Nil	Nil	Nil	48,000	48,000
Richard Lister	37,500	70,000	4,214	Nil	Nil	Nil	111,714
Terence McKillen(2)	Nil	Nil	Nil	Nil	Nil	68,875	68,875
Danesh Varma(3)	Nil	Nil	Nil	Nil	Nil	63,917	63,917

Notes:

(1) The fair value of options vested during the year ended March 31, 2013 has been estimated on the date of vesting using the Black-Scholes pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 104.46%, risk-free interest rate of 2.22% and expected life of 5 years.

(2) Terence McKillen was paid remuneration as Executive Vice President of the Corporation until his retirement in November 2012.

(3) Danesh Varma was paid remuneration as Chief Financial Officer of the Corporation until his retirement in November 2012.

In September 2010, each of the independent Directors was granted options under the Corporation's Stock Option Plan on 50,000 shares, exercisable at $6.27 per share for a period five years, with vesting over two years. These options had a grant date fair value, estimated using the Black-Scholes pricing model, of $237,000 to each director, of which $155,983 was the value of the options which vested during the year ended March 31, 2011, and $76,804 was the value of the options which vested during the year ended March 31, 2012.

For the fiscal years ended March 31, 2012 and 2013, Directors who are not officers were paid an annual retainer of $20,000, payable quarterly in arrears, with a fee of $1,000 per board meeting attended ($500 if telephone attendance) or committee meeting attended on a separate date. The Chairman of the Audit Committee was paid an additional $5,000 per year. Directors were also reimbursed for travel expenses incurred in connection with attendance at such meetings. An aggregate of $138,000 was paid to non-executive Directors as cash consideration for their services as Directors during fiscal 2013.

During 2012, the compensation arrangements for Directors were revised to align more closely with their responsibilities and recognizing that Directors are expected and required to devote significant time to the performance of their duties. Consistent with the comparisons made for the Corporation's executive officers, director compensation was compared to the director pay levels and industry practices of similar sized companies at similar stages of development, with active mining operations, and the Board of Directors and the Compensation Committee approved an increase in the total compensation for non-management Directors to align more closely with Director's responsibilities.

The Directors of the Corporation, upon the advice and recommendation of its Compensation Committee, adopted a Deferred Share Unit ("**DSU**") plan for the purposes of providing a form of stock based compensation, other than stock options, for eligible participants which includes Directors and key executives. Effective April 1, 2012, the annual retainer for independent non-management Directors was increased to $90,000, subject to $70,000 or approximately 80% of such retainer to be paid in the form of DSUs.

The purpose of the DSU Plan is to assist the Corporation in attracting, retaining and motivating qualified individuals to serve as members of the Board and to promote a greater alignment of interest between eligible Directors and shareholders. DSUs are a bookkeeping entry, with each DSU having the same value as a Common Share. Directors will be paid approximately 80% of their annual retainer in the form of DSUs. DSUs vest immediately upon grant, but must be retained until the Director leaves the Board, at which time the value of the DSUs will be redeemed and paid out. The DSU Plan provides that the number of DSUs which may be issued, together with securities of the Corporation issuable under any other Security Based Compensation Arrangement, as defined in section 613(b) of the Toronto Stock Exchange Company Manual (the "TSX Company Manual") which includes the Corporation's Stock Option Plan, is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

Directors received a portion of their annual retainer in the form of DSUs. For independent Directors award of units under the DSU Plan replaced the grant of stock options and non–management Directors of the Corporation will not be granted options to acquire common shares.

Under the DSU Plan, each of the four independent Directors (Eric Cunningham, Matthew Coon Come, Gerald Gauthier and Richard Lister) has been granted Deferred Share Units in accordance with the DSU

Plan of a value of $70,000 (totalling $280,000) in respect of the financial year ended March 31, 2013, payable quarterly in arrears. The number of DSUs to be credited to each independent director in each quarter is calculated by dividing the quarterly amount of $17,500 by the volume weighted average trading price of the Corporation's shares for the 5 trading days immediately preceding the end of each quarter, rounded downward to the nearest whole unit.

The number of DSUs credited to independent directors in respect of the year ended March 31, 2013 was 259,624 or 64,816 to each independent director based on a volume weighted trading price for the Corporation's shares for the five trading days ending before each quarterly grant representing 0.21 % of the Corporation's then issued and outstanding shares (414,367 or 0.33 % as at the date of this Circular).

As provided in the DSU Plan, the DSUs granted to the four independent Directors vest immediately but no cash compensation will be paid or common shares issued to the Director to whom the DSUs are credited until his retirement from the Board (except in circumstances of particular hardship as determined by the Board in its discretion).

Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows all incentive plan awards values vested to or earned by each director, other than those that are also Named Executive Officers, for the year ended March 31, 2013.

Name	Option-based awards – Value vested during the year(1) ($)	Share-based awards – Value vested during the year ($)(2)	Non-equity incentive plan compensation – Value earned during the year ($)
Matthew Coon Come	Nil	70,000	Nil
Eric Cunningham	Nil	70,000	Nil
Gerald Gauthier	Nil	70,000	Nil
William Hooley	Nil	N/A	Nil
Richard Lister	Nil	70,000	Nil
Terence McKillen	Nil	N/A	Nil
Danesh Varma	Nil	N/A	Nil

Notes:

(1) The value of vested options represents the aggregate dollar value that would have been realized if any of the options granted had been exercised on the vesting dates. The dollar value is the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date.

(2) The value of DSU's represents the aggregate dollar value of the DSU's on the vesting date of such DSU's.

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

The following table shows all option-based and share-based awards outstanding to each director, other than those that are also Named Executive Officers, as at March 31, 2013.

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options (1) ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards that have not paid out or distributed ($)(2)
Matthew Coon Come	50,000	$6.27	Sept. 14, 2015	Nil	Nil	N/A	41,482
Eric Cunningham	50,000	$6.27	Sept. 14, 2015	Nil	Nil	N/A	41,482
Gerald Gauthier	50,000	$6.27	Sept. 14, 2015	Nil	Nil	N/A	41,482

William Hooley	Nil	N/A	N/A	Nil	Nil	N/A	Nil
Richard Lister	43,750	$6.27	Sept. 14, 2015	Nil	Nil	N/A	41,482
Danesh Varma	Nil	N/A	N/A	Nil	Nil	N/A	Nil

Notes:

(1) Calculated based on the difference between the market value of the shares underlying the options at the end of the most recently completed fiscal year, which was $0.64, and the exercise price of the option.

(2) Calculated based on the number of DSU's granted multiplied by the market value of the shares underlying such DSU's at the end of the most recently completed fiscal year which was $0.64.

INDEBTEDNESS TO CORPORATION OF DIRECTORS AND EXECUTIVE OFFICERS

No Director or Named Executive Officer, or proposed management nominee for election as a director of the Corporation or affiliate of any such director or executive officer, is or, at any time since the beginning of the most recently completed financial year of the Corporation was, indebted to or guaranteed or supported by the Corporation.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The by-laws of the Corporation provide that the Corporation is required to indemnify a director or officer, or former director or officer, or a person who acts or acted at the request of the Corporation as a director or officer of a corporate body of which the Corporation is or was a shareholder or creditor, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of having been a director or officer of such body corporate if (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation, and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

The Corporation maintains insurance for the benefit of the Corporation's Directors and officers against liability incurred by them in their capacity as Directors and officers. The policy provides coverage in respect of a maximum total liability of $10 million, subject to a deductible of $25,000 per event. The premium for 2013 is $35,300. The policy contains standard industry exclusions and no claims have been made to date.

3. APPOINTMENT OF AUDITORS

McGovern, Hurley, Cunningham LLP were first appointed auditors of the Corporation in November 2007.

The aggregate amounts billed by auditors for the two fiscal years ended March 31, 2013 and 2012 for audit fees, audit related fees, tax fees and all other fees are set forth below:

	Period Ended March 31, 2013 $	Period Ended March 31, 2012 $
Audit Fees [1]	287,000	203,000
Audit Related Fees [2]	-	-
Tax Fees [3]	-	-
All Other Fees	-	-
Total	**287,000**	**203,000**

Notes:
(1) "Audit Fees" represent fees for the audit of the annual financial statements, and review in connection with the statutory and regulatory filings.
(2) "Audit Related Fees" represent fees for assurance and related services that are related to the performance of the audit.
(3) "Tax Fees" represent fees for tax compliance, tax advice and planning.

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote **FOR** the re-appointment of McGovern, Hurley, Cunningham LLP, as auditors of the Corporation until the close of the next annual meeting of shareholders and to authorize the Directors to fix their remuneration.

STATEMENT OF EXECUTIVE COMPENSATION

Objectives of Executive Compensation

The Board has appointed a Compensation Committee which has responsibility for recommending compensation for the Directors and senior management. Interested executives do not participate in reviews, discussions or decisions of the Compensation Committee or the Board of Directors regarding their remuneration. The Compensation Committee's responsibilities and composition are described below under the heading "Corporate Governance Disclosure – Compensation Committee".

The Corporation's objectives of Executive Compensation are to provide total compensation packages to senior executive officers in order to ensure senior management is appropriately engaged and retained. The general compensation philosophy for executive officers, including for the CEO, is to provide a level of base compensation that is competitive within the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the Corporation to be successful, and to provide longer-term incentive compensation, through the grant of stock options, to members of senior management whose actions have a direct and identifiable impact on the performance of the Corporation and who have material responsibility for long-range strategy development and implementation which aligns the interest of executives with those of shareholders.

Historically, the compensation of Named Executive Officers of the Corporation has been comprised primarily of cash compensation and the allocation of incentive stock options. In establishing levels of remuneration and in granting stock options, an executive's responsibilities, level of experience, length of service to the Corporation and comparable levels of remuneration paid to similar executives of other companies of comparable size and development within the industry are taken into consideration.

The Committee relies on the general knowledge and experience of its members, and recommendations from the Chief Executive Officer, in reviewing appropriate levels of compensation for Named Executive Officers and the implementation of, or amendment to, any other aspects of compensation that the Compensation Committee may review from time to time. All Committee members have relevant general, but not direct, experience in executive compensation and compensation policies and practices in the mineral resources business gained through current and prior experience in business and the minerals industry.

While the Corporation does not actively benchmark its compensation programs for Named Executive Officers, and the individual components thereof, the Compensation Committee does review compensation levels within the industry, primarily through the use of third-party "Compensation Reports", which are available through certain consulting firms. These reports typically include information for larger mining companies but do assist the Committee and the Corporation in determining approximately the salary levels and other benefits in place across the industry. In the fiscal year ended March 31, 2013 the Compensation Committee specifically reviewed the 2012 Mining Industry Salary Surveys of Coopers Consulting Ltd. and PricewaterhouseCoopers LLP.

During the year ended March 31, 2012, the Corporation made new appointments to the positions of President and Chief Operating Officer and of Senior Vice President, Operations. In connection therewith the Corporation retained C.J. Stafford and Associates, a recruitment consultant, who in relation to such appointments provided advice with regard to current salary levels in the industry. No compensation consultant was engaged during the past fiscal year and neither the Corporation nor the Compensation Committee currently has any contractual arrangement with any compensation consultant.

The Compensation Committee is responsible for considering the risks associated with the Corporation's compensation policies and practices and has not identified any specific risks associated with the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect.

Because of the current scale and scope of the Corporation's operations, and the limited number of senior management and employees, and the oversight by the Board of all significant activities, including risk management, the Compensation Committee does not believe that the Corporation's compensation policies and practices would encourage any executive officer to take inappropriate or excessive risk.

Compensation Discussion and Analysis

The Corporation did not have a formal compensation plan in place for its Named Executive Officers during the three fiscal years ended March 31, 2013.

The use of traditional performance standards, such as corporate profitability, was not considered to be appropriate in the evaluation of corporate or executive performance, and the Committee and the Board of Directors considered the results of operations and financial situation of the Corporation in a wider context regarding the start-up and ongoing development of the Company's mining operations at Schefferville Project when setting its executive compensation levels.

To date, the compensation of executive officers has been comprised of cash compensation, incentive performance bonus and incentive stock options. In future years, it is expected that the grant of deferred share units under the Corporation's DSU Plan will form part of the equity component portion of the total remuneration of senior executive officers.

Base Salary

The Corporation provides executive officers with annual salaries which represent their base compensation for services rendered during the fiscal year. Salary levels are based upon the executive's responsibilities, experience and performance. Base salaries are recommended by the Chief Executive and reviewed by the Compensation Committee.

In January 2012, the Compensation Committee reviewed the base salary payable to the Chief Executive Officer and recommended an increase in his annual salary to $475,000 per year effective February 1, 2012.

In November 2011, Rodney Cooper was recruited as President and Chief Operating Officer at a base salary of $350,000 per year.

In August 2011, Aiden Carey was recruited as Senior Vice President of Operations, at a base salary of $225,000 per year, which was increased to $250,000 per year effective April 1, 2012.

In November 2012, Richard Pinkerton previously Vice President, Finance, was appointed as Chief Financial Officer at a base salary of $144,000 per year, subject to review.

The Compensation Committee recommended that, having regard to financial results of the Corporation, there should be no change to the base salaries of the above named executive officers in the fiscal year ended March 31, 2013.

Performance Incentives and Bonus

The Corporation did not set formal, person-specific, performance goals for the CEO or other Named Executive Officers for the fiscal year ended March 31, 2013.

The Corporation does not have a formal annual incentive bonus plan in place. Goals and objectives for the Corporation are typically set through discussions at board meetings, and follow-up on progress would typically take place at subsequent board meetings. Any award of a bonus to Named Executive Officers is at the discretion of the Board of Directors based upon recommendation by the Compensation Committee. In considering the payment of a bonus to Named Executive Officers, upon successful completion of performance goals, the Compensation Committee takes into account the individual performance and efforts of the executive, the progress made by the Corporation in furthering its business plan and the overall success of the Corporation.

Given the size of the Corporation, this is considered appropriate to effectively manage the business and allow the Named Executive Officers to move the business forward.

Specific performance related incentives with objectives that are within management's control were established for each of Rodney Cooper, President and Chief Operating Officer, and Aiden Carey, Senior Vice President of Operations, for the part-year ended March 31, 2012 and future years. A bonus of up to 50% of Base Salary will be payable subject to meeting certain specified targets. Sixty percent of any Bonus earned in a fiscal year will be paid on March 31 of that year, and the remaining forty percent will be payable at March 31 of the following fiscal year, provided such officer continues in the Corporation's employment at that time. Under these bonus arrangements Rodney Cooper was awarded a bonus of $58,333 and Aiden Carey was awarded a bonus of $68,885 for the fiscal year ended March 31, 2012. No bonus payments were awarded for the fiscal year ended March 31, 2013.

Equity Based Compensation - Stock Options

The grant of stock options to purchase common shares of the Corporation, pursuant to the Corporation's Stock Option Plan, is an integral component of executive officer compensation packages. The Corporation's Stock Option Plan is administered by the Corporation's Board of Directors in consultation with its Compensation Committee composed entirely of independent Directors. The stock option plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, reward current and future performance, and to enable the Corporation to attract and retain individuals with experience and ability. Stock option grants are considered when reviewing Named Executive Officer compensation packages as a whole.

In awarding the stock options, the Committee considered the appropriate number and percentage of options that should be awarded to each employee relative to the total number of shares issued and stock options granted.

No stock options were granted to any of Messrs. Kearney, Hooley or Varma since August 2007 or during the year ended March 31, 2013.

The Corporation has not, to date, prohibited its Named Executive Officers or Directors from purchasing financial instruments designed to hedge or off-set a decrease in market value of any stock options granted as compensation or of options or shares of the Corporation held directly or indirectly by a Named Executive Officer or Director.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows all option-based and share-based awards vested or earned during the year to each Named Executive Officers, as at March 31, 2013.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
John F. Kearney Chairman and Chief Executive Officer	N/A	N/A	N/A
Rodney Cooper President and Chief Operating Officer	Nil	N/A	N/A
Aiden Carey Senior Vice President, Operations	Nil	N/A	N/A
Richard Pinkerton, Chief Financial Officer	Nil	N/A	N/A
Danesh Varma Chief Financial Officer	Nil	N/A	N/A

Notes:

(1) The value of vested options represents the aggregate dollar value that would have been realized if any of the options granted had been exercised on the vesting dates. The dollar value is the difference between the market price of the underlying securities at exercise and the exercise price of the options on the vesting date. Previous grants are taken into account when considering new grants.

Other Benefits

The Corporation has a health benefit plan that is available to all full-time employees. The benefit plan is designed to protect employees' health and that of their dependents, and cover them in the event of disability or death.

Other perquisites and personal benefits provided to Named Executive Officers are not considered a material component of the executive compensation package.

Summary Compensation Table

The following table sets out total compensation in respect of John Kearney, the CEO, Rodney Cooper, the President and COO, William Hooley, Vice-Chairman and the former President and COO, Aiden Carey, Senior VP Operations, Richard Pinkerton, the Chief Financial Officer and Danesh Varma, the former Chief Financial Officer of the Corporation (the **"Named Executive Officers"**) for the years ended March 31, 2013, 2012 and 2011.

Name and Principal Position	Year [1]	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)[14]	Total Compensation ($)
					Annual incentive plans	Long-term plans			
John F. Kearney	2013	475,000[2]	N/A	N/A	N/A	N/A	N/A	Nil	475,000
Chairman and Chief	2012	221,329[2]	N/A	Nil	N/A	N/A	N/A	400,000	621,329
Executive Officer	2011	200,000[2]	N/A	Nil	N/A	N/A	N/A	Nil	200,000
Rodney Cooper	2013	350,000	N/A	593,097[5][6]	N/A	N/A	N/A	Nil	943,097
President and Chief	2012	116,667[4]	N/A	450,425[5]	N/A	N/A	N/A	58,333	567,092
Operating Officer									
D. William Hooley	2013	Nil	N/A	N/A	N/A	N/A	N/A	48,000	48,000
Vice Chairman	2012	153,412[3]	N/A	Nil	N/A	N/A	N/A	475,000	628,412
President former	2011	227,150[3]	N/A	Nil	N/A	N/A	N/A	Nil	227,150
Chief Operating Officer									
Aiden Carey	2013	250,000	N/A	317,995[7][8]	N/A	N/A	N/A	Nil	567,995
Senior Vice	2012	137,792[9]	N/A	332,100[7]	N/A	N/A	N/A	68,885	469,892
President, Operations									
Richard Pinkerton	2013	144,000	N/A	46,679[11][12]	N/A	N/A	N/A	Nil	190,679
Chief Financial	2012	144,000	N/A	76,952[12]	N/A	N/A	N/A	Nil	220,952
Officer	2011	132,000[10]	N/A	155,834[12]	N/A	N/A	N/A	Nil	287,834
Danesh Varma	2013	63,917[13]	N/A	N/A	N/A	N/A	N/A	33,083	100,000
Chief Financial	2012	100,000	N/A	Nil	N/A	N/A	N/A	Nil	100,000
Officer	2011	100,000	N/A	Nil	N/A	N/A	N/A	Nil	100,000

Notes:

(1) The financial year ended March 31.

(2) $200,000 per year paid to a private company controlled by John Kearney.

(3) Includes an amount (2012 – $86,745) (2011 - $127,879) of Mr. Hooley's salary as Chief Executive Officer of Anglesey Mining plc. allocated to the Corporation. Mr. Hooley retired as President and Chief Operating Officer of the Corporation effective November 30, 2011.

(4) Mr. Cooper's employment commenced on December 1, 2011.

(5) In November, 2011, 200,000 options were granted at an exercise price of $6.35 per share, all with an expiry date of November 30, 2016. These options have a grant date estimated fair value of $924,000 calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.40%, expected life of 5 years, expected dividend rate of 0%, and current volatility of 96%. The estimated fair value of the options which vested during the year ended March 31, 2012 was $450,425 and during the year ended March 31, 2013 was $423,234.

(6) In July, 2012, 130,000 options were granted at an exercise price of $3.00 per share, all with an expiry date of July 2, 2017. These options have a grant date estimated fair value of $217,100 calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.26%, expected life of 5 years, expected dividend rate of 0%, and current volatility of 92%, of which $169,863 was the estimated fair value of the options which vested during the year ended March 31, 2013.

(7) In August 2011, 100,000 options were granted at an exercise price of $6.80 per share, with an expiry date of September 22, 2016. These options have a grant date estimated fair value of $509,000 calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.00%, expected life of 5 years, expected dividend rate of 0%, and current volatility of 101%. The estimated fair value of the options which vested in the year ended March 31, 2012 was $332,100 and for the year ended March 31, 2013 as $167,732.

(8) In July, 2012, 115,000 options were granted at an exercise price of $3.00 per share, all with an expiry date of July 2, 2017. These options have a grant date estimated fair value of $192,050 calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.26%, expected life of 5 years, expected dividend rate of 0%, and current volatility of 92%, of which $150,263 was the estimated fair value of the options which vested during the year ended March 31, 2013.

(9) Mr. Carey's employment commenced on August 22, 2011.

(10) Mr. Pinkerton's employment commenced on May 1, 2010

(11) In July, 2012, 32,500 options were granted at an exercise price of $3.00 per share, all with an expiry date of July 2, 2017. These options have a grant date estimated fair value of $54,275 calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.26%, expected life of 5 years, expected dividend rate of 0%, and current volatility of 92%, of which $42,465 was the estimated fair value of the options which vested during the year ended March 31, 2013.

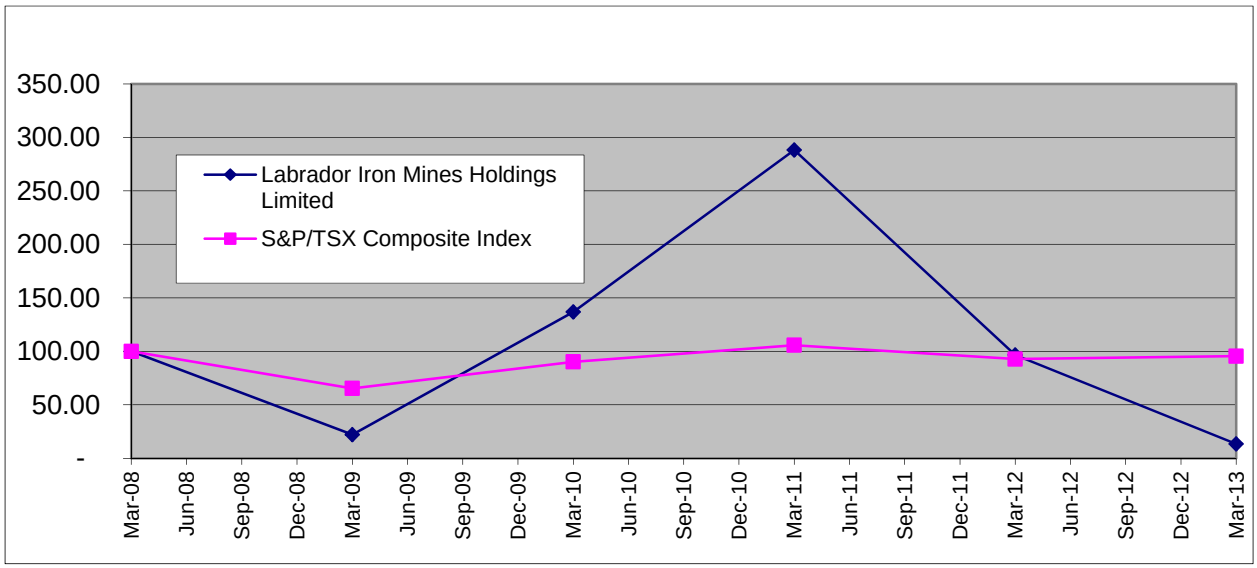
(12) In September, 2010, 50,000 options were granted at an exercise price of $6.27 per share, all with an expiry date of September 14, 2015. These options have a grant date estimated fair value of $237,000 calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 2.22%, expected life of 5 years, expected dividend rate of 0%, and current volatility of 104%. The estimated fair value of the options which vested during the year ended March 31, 2013 was $4,214 and for March 31, 2012 was $76,952 and for the March 31, 2011 was $155,834.

(13) Mr. Varma retired as Chief Financial Officer in November 2012 and was appointed a Director in November 2012.

(14) Perquisites have not been included, as they did not exceed 10% of total salary for any of the financial years ended March 31, 2011, 2012 and 2013.

PERFORMANCE GRAPH

The following graph compares the cumulative total shareholder return of $100 invested in the Corporation's Common Shares (assuming reinvestment of dividends) from March 31, 2013 to March 31, 2013 with the cumulative total return of the S&P/TSX Composite Index over the same time period.



The performance of the Corporation's stock over the past five years has been linked to overall commodity prices and market sentiment and, in particular, the stock market performance for mineral exploration and development companies and reflected general market conditions at each point in time. Commodity prices and global markets were adversely impacted by the onset of the world-wide financial crisis in the second half of 2008, which continued throughout most of calendar 2009 and the Corporation's fiscal year ended March 31, 2010, and saw the share prices of mineral companies hit particularly hard.

In the fiscal year ended March 31, 2011, the increase in the Corporation's share price increased the value of outstanding stock options held by Named Executive Officers, who were employed during that time.

In the fiscal year ended March 31, 2012 the decrease in the Corporation's share price significantly reduced the value of outstanding stock options held by the Named Executive Officers, and the subsequent decline in the Corporation's share price, which continued unabated in the fiscal year ended March 31, 2013, has totally eliminated any current value to these stock options.

In August 2012, John Kearney exercised all his remaining stock options to acquire 375,000 shares, which options had an option value of $18,750 at the date of exercise.

Incentive Plan Awards

The following table shows all awards outstanding to each Named Executive Officer as at March 31, 2013.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[(1)] ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards that have not paid out or distributed ($)**
John F. Kearney Chairman and Chief Executive Officer	Nil	N/A	N/A	Nil Nil	N/A	N/A	N/A
Rodney Cooper President and Chief Operating Officer	200,000 130,000	6.35 3.00	Nov. 7, 2016 July 2, 2017	Nil Nil	N/A	N/A	N/A
Aiden Carey Senior Vice President, Operations	100,000 115,000	6.80 3.00	Sept. 22, 2016 July 2, 2017	Nil Nil	N/A	N/A	N/A
Richard Pinkerton Chief Financial Officer	50,000 32,500	6.27 3.00	Sept.14, 2015 July 2, 2017	Nil Nil	N/A	N/A	N/A
Danesh Varma Chief Financial Officer	Nil	N/A	N/A	Nil	N/A	N/A	N/A

Notes:

(1) Calculated by subtracting from the market value of the shares underlying the options at the end of the most recently completed financial year (which was $0.64 the last trading date of the fiscal year) the exercise or base price of the options.

Pension Plan Benefits

The Corporation does not provide any form of group pension plan benefits to employees, officers or Directors.

Termination and Change of Control Benefits

The Corporation entered into an agreement dated effective July 21, 2011 with Aiden Carey, Senior Vice President, Operations, for his continuing services as an officer of the Corporation. Should Mr. Carey's employment with the Corporation be terminated without cause, Mr. Carey is entitled to receive an amount equal to his then current annual salary payable upon termination.

The Corporation entered into an agreement dated effective November 7, 2012 with Mr. Rodney Cooper, President and Chief Operating Officer for his continuing services as an officer of the Corporation. Should Mr. Cooper's employment with the Corporation be terminated without cause, Mr. Cooper is entitled to receive an amount equal to his then current annual salary payable upon termination.

Except as otherwise disclosed herein, the Corporation has no compensatory plan or arrangement in respect of compensation received or that may be received by an executive officer of the Corporation in the Corporation's most recently completed or current financial year to compensate such executive officer in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at March 31, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,976,139	$5.17	10,643,941
Equity compensation agreements not approved by securityholders	N/A	N/A	N/A
Total	1,976,139	$5.17	10,643,941

Summary of Stock Option Plan

The Corporation has established a 10% Rolling Stock Option Plan (**"Stock Option Plan"**) to provide incentive compensation to the Directors, officers, employees and consultants of the Corporation or its subsidiaries, as well as other persons or companies engaged to provide ongoing management of consulting services ("**Service Providers**") to the Corporation or any entity controlled by the Corporation.

The Stock Option Plan provides that the number of common shares which may be issued pursuant to options granted under the Stock Option Plan, together with securities issuable under any other Security Based Compensation Arrangement, as defined in section 613(b) of the TSX Company Manual which includes the Corporation's DSU Plan, is a maximum of 10% of the issued and outstanding common shares at the time of the grant. The TSX requires that all unallocated options and entitlements under the Stock Option Plan be approved and ratified by shareholders every three years. The Stock Option Plan was originally approved by shareholders on August 30, 2007 with further changes approved by shareholders on September 13, 2012.

The effect of the Stock Option Plan is that at any point in time, the Corporation may have stock options outstanding for the purchase of up to 10% of issued capital of the Corporation less the number of securities issuable under any other Security Based Compensation Arrangement. The maximum number of securities of the Corporation issuable to any one individual or to Insiders, (as defined in the Company Manual), pursuant to options granted under the Stock Option Plan, together with securities issuable under any other Security Based Compensation Arrangement (as defined in section 613(b) of the Company Manual), cannot exceed 5% and 10%, respectively, of the then issued and outstanding securities of the Corporation at any time. The maximum number of securities of the Corporation issued within any twelve month period to any one individual or to Insiders under the Stock Option Plan, together with securities issued under any other Security Based Compensation Arrangement, cannot exceed 5% and 10%, respectively, of the then issued and outstanding securities of the Corporation.

As at March 31, 2013 and the date of this Circular, there were 1,716,875 stock options issued and outstanding under the Stock Option Plan, representing 1.36% of the Corporation's then issued and outstanding shares.

The Stock Option Plan is administered by the Corporation's Board of Directors upon advice of the Compensation Committee. Stock options may be granted at any time to any director, senior officer, key employee or other person providing services to the Corporation (each an "**Optionee**"), taking into consideration his or her present and potential contribution to the success of the Corporation and any other factor which the Board or the Compensation Committee may deem proper and relevant.

Under the Stock Option Plan, the Board, in its discretion and upon the advice of its Compensation Committee, is authorized to fix the exercise price, provided that such price may not be lower than the market price of the Corporation's shares determined in accordance with the rules of any stock exchange or other trading market upon which the shares of the Corporation are then listed or quoted or, if the shares of the Corporation do not trade on any such exchange or market, by the Board in their discretion, and to impose deferred vesting restrictions on any options granted. The stock options are non-assignable and non-transferable.

Stock options granted under the Stock Option Plan are exercisable over a period not exceeding ten years, subject to earlier cancellation upon the following occurrences:

(i) three (3) months following the termination of the Optionee's employment or the Optionee ceasing to be an employee, senior officer, director or consultant of the Corporation, as applicable due to permanent disability or retirement;

(ii) thirty (30) days following the termination of the Optionee's employment or the Optionee ceasing to be an employee, senior officer, director or consultant of the Corporation, as applicable; for any other reason; or

(iii) twelve (12) months following the death of the Optionee,

in each case subject to any variation as the Board of Directors may determine in their sole discretion.

The Stock Option Plan contains provisions for adjustment in the number of shares issuable in the event of a subdivision, consolidation, reclassification or change of the Common Shares; or a merger; or other relevant changes in the Corporation's capitalization. The Stock Option Plan does not contain any provision for financial assistance by the Corporation in respect of stock options granted thereunder.

The Board may from time to time amend or revise the terms of the Stock Option Plan or may discontinue the Stock Option Plan at any time provided however that no such right may in any manner adversely affect an Optionee's rights under any option theretofore granted under the Stock Option Plan without consent of such Optionee. Any amendments to the Stock Option Plan are subject to the prior approval of any stock exchange upon which shares of the Corporation are then listed for trading and any other regulatory authority having jurisdiction over the Corporation. Shareholder approval will be required for the following types of amendments to the Stock Option Plan:

(i) an increase in the maximum number of Common Shares issuable under the Stock Option Plan;

(ii) a change in the manner of determining the option price;

(iii) an extension of the expiry date of an option;

(iv) an extension of the period during which options may be exercised;

(v) an alteration or impairment of any option previously granted to an Optionee, without the prior written consent of the Optionee;

(vi) amendments granting additional powers to the Board of Directors to amend the Stock Option Plan or entitlements thereunder without shareholder approval; and

(vii) changes to the insider participation limits which result in shareholder approval to be required on a disinterested basis.

Disinterested shareholder approval, excluding the votes attached to securities held directly or indirectly by Insiders benefitting from the amendment, will be required in the case of a reduction in the exercise price or extension of the term of an option granted to an Insider of the Corporation**.**

All other amendments to the Stock Option Plan including, but not limited to, variations of vesting provisions or changes to eligibility criteria for Optionees who are not Insiders will not require shareholder approval.

A copy of the Corporation's Stock Option Plan will be available at the Meeting.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

The following discloses the Corporation's corporate governance practices as required by NI 58-101 *Disclosure of Corporate Governance Practices*.

1. The Board of Directors

The Board currently comprises seven members, a majority of whom the Board has determined are "independent directors" within the meaning of NI 58-101.

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Corporation's Board of Directors, be reasonably expected to interfere with such Directors' independent judgement.

The Chairman of the Corporation, John F. Kearney, is not independent in that he is also Chief Executive Officer of the Corporation. William Hooley, Vice Chairman and formerly President and Chief Operating Officer, and Danesh Varma, formerly Chief Financial Officer are also considered non-independent Directors.

During the year ended March 31, 2013, Messrs. Coon Come, Cunningham, Gauthier and Lister were considered independent Directors since they are all independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the beginning of the fiscal year ended March 31, 2013, none of the independent Directors has worked for the Corporation, received direct remuneration (other than Directors fees) (including DSUs) from the Corporation or had material contracts with or material interests in the Corporation which could interfere with their ability to act with a view to the best interests of the Corporation.

The Board has appointed Richard Lister as lead independent director. The lead director acts as the principal liaison between management of the Corporation and the independent members of the Board. In addition he takes a leadership role in instituting independent Board initiatives on governance matters and executive compensation. Dr. Lister is the Chair of both the Audit and Compensation Committees.

The Chairman of the Corporation does not sit on these committees.

Management Supervision by the Board

The Corporation has an experienced Board of Directors that has the ability to function independently of management and supervise the business and affairs of the Corporation.

The Board believes that it functions independently of management and the independent Directors have regular and full access to all members of senior management and has appointed a lead director, Dr. Richard Lister, who is independent of management. The Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer report upon the operations of the Corporation directly to the Board on a regular basis.

To enhance its ability to act independently of management, the Board may meet in the absence of members of management and the non-independent Directors at any time they consider necessary and may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. However, the contribution and experience of all Board members is considered useful and open discussion amongst the independent Directors is not inhibited by the presence of the non-independent Directors. Accordingly, their exclusion from a board meeting is not always warranted.

The Board held two informal meetings of the Directors in the absence of members of management and the non-independent Directors during the fiscal year ended March 31, 2013. In addition, the Audit Committee, comprised entirely of independent Directors, did meet with the auditors of the Corporation in the absence of members of management prior to the Board's consideration of the audited annual and interim financial statements. In addition, the Compensation Committee met three times during the year in absence of management.

The Audit Committee is composed of independent Directors who meet with the Corporation's auditors and, if considered necessary or desirable, without management in attendance. The Audit Committee meets with the Corporation's auditors in the absence of management at least once per year to review the results of the Corporation's annual audit, and during the year ended March 31, 2013 also met with the Corporation's auditors to review the Corporation's interim financial results.

Participation of Directors in Other Reporting Issuers

Name of Director	Name of Other Reporting Issuer
John Kearney	Anglesey Mining plc (Chairman & Director) Avnel Gold Mining Limited (Director) Canadian Zinc Corporation (President, Chairman, CEO & Director) Conquest Resources Limited (Chairman & Director) Minco plc. (Chairman & Director) Vatukoula Gold Mines plc. (retired June 2013) Xtierra Inc. (Chairman & Director)
D. William Hooley	Anglesey Mining plc(CEO & Director)
Gerald Gauthier	Conquest Resources Limited (Director) Gold World Resources Inc. (Director) Xtierra Inc. (Chief Operating Officer)
Richard Lister	Sierra Rutile Ltd. (Director)
Danesh Varma	Xtierra Inc. (CFO & Director) Conquest Resources Limited (CFO & Director) Anglesey Mining Plc (CFO & Director) Minco Plc (CFO, Secretary, & Director) Brookfield Infrastructure Partners L.P. (Director)

John Kearney and Danesh Varma serve as Directors of a number of associated public companies, which have overlapping or common management and which share office space and other facilities with the Corporation. In a general sense, these companies operate as a "group" of which John Kearney may be considered "group" Chairman. John Kearney is the lead independent director of Avnel Gold Mining Limited and represented Canadian Zinc as a non-executive director on Vatukoula Gold Mines plc until his retirement as a director of Vatukoula in June 2013.

2. Board Mandate

The Board does not have a written mandate. Its mandate is to supervise the management of the business and affairs of the Corporation. As part of its overall stewardship, the Board assumes responsibility for strategic planning, identification of the principal risks associated with the Corporation's business and ensuring appropriate management of these risks. The Board is also responsible for making all senior officer appointments, performance evaluation, management development and succession planning.

3. Position Descriptions

Given the size of the Corporation's corporate structure, the Board does not feel that it is necessary at this time to formalize position descriptions or corporate objectives for any of the Chairman of the Board, Chairmen of Committees of the Board or the Chief Executive Officer in order to delineate their respective responsibilities. Accordingly, the roles of the Chairman of the Board and the Chairman of the Committees are delineated on the basis of customary practice.

The responsibilities of the Chairman and Chief Executive Officer include presiding over Board Meetings and ensuring the efficient operation and functioning of the Board and include, subject to the oversight of the Board, developing the Corporation's overall strategic plan, general supervision of the business of the Corporation, providing leadership and vision to the Corporation and developing and recommending corporate strategies and objectives for approval by the Board.

4. Orientation and Continuing Education

The Board recognizes the importance of continuing education to ensure that Board members maintain the skill and knowledge for them to meet their obligation as Directors. The Corporation currently has no formal orientation and education program for Board members. Information (such as recent reports, prospectus, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to Board members to ensure that Directors are familiarized with the Corporation's business and the procedures of the Board. In addition, Directors are encouraged to visit and meet with management on a regular basis and visit the Corporations mine site at least once per year and meet with operating management. The Corporation also encourages continuing education of its Directors by distributing information on industry and regulatory matters and by facilitating attendance at industry conferences, seminars or courses at the Corporation's expense.

5. Ethical Business Conduct

The Board has adopted a formal Code of Ethics (the **"Code"**) for directors, officers and employees. A copy may be obtained on the website of the Corporation at www.labradoriron mines.ca. In order to ensure compliance with the Code and that Directors exercise independent judgment, the Board has assumed responsibility for: approving transactions involving the Corporation and any "related party" (as that term is defined in Ontario Securities Commission Rule 61-501); monitoring the Corporation's compliance with strategic planning matters; assessing the effectiveness of committees and individual Directors; and reviewing changes in compliance policies, standards, codes and programs, as well as applicable legislation.

In addition, the Corporation has in place a Whistleblower Policy pursuant to which employees are encouraged to report violations of the Code or matters related to accounting, internal controls and auditing. The Board has also adopted a policy of permitting individual Directors under appropriate circumstances to engage legal, financial or other expert advisors at the Corporation's expense.

In order to monitor compliance with the Code, the Board conducts an annual review of compliance with the Code. This review consists of discussions with Directors, senior management and others within the Corporation, the results of which are reported to a full meeting of the Board of Directors.

The Board conducts periodic reviews of the Corporation's corporate governance practices and procedures in light of applicable rules and guidelines and the current status and stage of development of the Corporation.

Directors are expected to adhere to all corporate law requirements in respect of any transaction or agreement in which they may have a material interest. It is a requirement of applicable corporate law that Directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to discussions same if the interest is material. Where appropriate, any director having a material conflict of interest will be expected to withdraw from the meeting and not participate in the meeting where such matter is being considered so that the remaining Directors may properly exercise independent judgment.

Certain of the Directors and officers of the Corporation also serve as Directors and/or officers of, or have significant shareholdings in, other companies involved in natural resource exploration and development and consequently there exists the possibility for such Directors and officers to be in a position of conflict. The Board values the participation of Directors on the boards of other companies in the mineral industry as this provides exposure to developments and other opportunities which are useful to the experience of the Directors and potentially beneficial to the Corporation.

In cases where Board members are also Directors of other companies, the Board does not believe these instances in any way compromise the independence or ability of the Directors to carry out their duties in respect of the Corporation, so long as such Directorships do not create a conflict of interest with their duties as a director of the Corporation. In addition, each of the Directors is required to declare and refrain from voting on any matter in which such Directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act (Ontario) and other applicable laws. Any decision made by any of such Directors and officers involving the Corporation will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders.

6. Nomination of Directors

The Board does not have a separate nominating committee. The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of Directors. In view of the current size of the Corporation and the current scale of its operations, the composition of the current Board and the service of the current members of the Board, a separate nominating committee has not as yet been considered necessary by the Corporation.

While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain Directors with business experience and a particular knowledge of mineral exploration, project development and mining or other areas such as finance or Aboriginal Affairs which would assist the officers of the Corporation. As such, nominations to the Board have been the result of recruitment efforts

by management of the Corporation and discussions among the Directors prior to the consideration by the Board as a whole.

7. Compensation

The Board, upon the advice of its Compensation Committee which is composed entirely of independent Directors, reviews at least on an annual basis, the adequacy and form of the compensation of Directors and officers to ensure that compensation reflects the responsibilities, time commitment and risks involved in being an effective director or officer of the Corporation. Currently, the independent Directors of the Corporation receive retainer fees in their capacities as Directors, and all Directors and officers are currently eligible to participate in the Corporation's Stock Option Plan and a substantive portion of their remuneration is in the form of deferred share units. No new options will be granted to independent director under the Corporation's Stock Option Plan.

Compensation Committee

This committee is composed of three Directors, namely Messrs. Cunningham, Coon Come and Lister, all of whom are independent of Management. All of the Committee members have extensive experience supervising and managing significant business enterprises providing them with the necessary skills to fulfill the Committee's mandate. The purpose of the Compensation Committee is to develop and monitor the policies and procedures used to incentivise and compensate the Directors and senior officers of the Corporation.

Pursuant to its mandate, the Compensation Committee has, among others, the following responsibilities:

- Review and make recommendations to the Board regarding the Corporation's compensation plans, including with respect to incentive-compensation plans and equity-based plans, policies and programs.

- Review the level and form of the Directors' compensation and recommend any changes for consideration and approval to the Board.

- Review and monitor the Corporation's employee and management compensation and benefit plans and policies, provide oversight of any employee benefit plan, and review and approve the compensation of the Corporation's executive officers.

- In conjunction with the CEO annually review and approve corporate goals and objectives relevant to CEO and other executive officers compensation, evaluate the CEO's and other executive officers performance in light of those goals and objectives and establish the individual elements of the CEO's and other executive officers total compensation based on this evaluation.

- Review and make recommendations to the Board with regard to grants and/or awards of stock options, restricted stock, and other forms of equity-based compensation under the Corporation's stock option, incentive-compensation, Deferred Share Unit plans and other equity-based plans (as applicable).

- Review and make recommendations to the Board, when and if appropriate, with regard to employment agreements, severance agreements and change in control provisions / agreements for the CEO and other executive officers.

The Compensation Committee makes recommendations to the Board with respect to the compensation of the CEO. The Compensation Committee meets at its discretion as requested by the Board or CEO. The

Compensation Committee has the authority to retain independent advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities.

8. Board Committees

The Board currently has three committees: the Compensation Committee (see above), the Audit Committee, and the Health and Safety Committee. From time to time, the Board may form ad hoc committees to consider specific transactions comprised of persons unrelated to the transaction.

Audit Committee

The disclosure required by section 5.2 of National Instrument 52-110 – *Audit Committees*, including the constitution and function of the Audit Committee, is disclosed in "Item 16 – Audit Committee Information" of the Corporation's Annual Information Form, dated as at June 19, 2012," which is available on the Corporation's website at www.labradoriron mines.ca or on SEDAR at www.sedar.com.

Health and Safety Committee

This committee is composed of three Directors, namely Messrs. Cunningham, Coon Come and Gauthier, all of whom are independent of Management. The responsibility of the Committee is to review the Corporation's environmental, health and safety programs, to oversee the Corporation's health and safety performance, to monitor current and anticipated regulatory issues relating to health and safety matters and to make recommendations, where appropriate, on matters on health and safety to the Board. The committee receives presentations from management on the Corporation's health and safety performance.

9. Assessments

The Board assesses, on an annual basis, the contributions and effectiveness of the Board as a whole, the committees and each of the individual Directors, in order to determine whether each is functioning effectively. This is carried out by completion of a self-assessment questionnaire in which the Directors are asked to evaluate their own performance and effectiveness, as well as the overall performance and effectiveness of the Board, with provision for recommendations or suggestions. The completed questionnaires are reviewed by the Chairman of the Corporation and Lead Independent Director and reported upon to the full Board of Directors.

Given the size of the Corporation and the current scale of its operations, the Board believes that its structure and composition is appropriate and that the Board is functioning effectively at the current time.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, proposed director of the Corporation, or associate or affiliate of any informed person or proposed director of the Corporation has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com. Financial information is provided in the Corporation's Consolidated Financial Statements and Management Discussion and Analysis for the year ended March 31, 2013 and may be viewed on SEDAR at www.sedar.com or the Corporation's website at www.labradoriron mines.ca.

Shareholders may contact the Secretary of the Corporation to request copies of the Corporation's Financial Statements and Management Discussion and Analysis at (647) 728-4125 or by email at info@labradorironmines.ca.

APPROVAL

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

DATED at the City of Toronto, the Province
of Ontario, this 19th day of August, 2013

"John F. Kearney"
John F. Kearney
Chairman & Chief Executive Officer