



**Labrador Iron Mines Holdings Limited**

**Notice of Annual  
Meeting of Shareholders  
to be held  
October 4, 2018**

**Management Information Circular**

*August 24, 2018*

55 UNIVERSITY AVENUE, SUITE 1805, TORONTO, ONTARIO, CANADA M5J 2H7

Telephone: 647-728-4106 Facsimile: 416-368-5344

Email: [info@labradorironmines.ca](mailto:info@labradorironmines.ca)

Website: [www.labradorironmines.ca](http://www.labradorironmines.ca)

## LABRADOR IRON MINES HOLDINGS LIMITED

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS (the "Notice")

**NOTICE IS HEREBY GIVEN** that an annual meeting of the shareholders (the "**Meeting**") of Labrador Iron Mines Holdings Limited (the "**Corporation**") will be held at the Corporation's office, located at 55 University Avenue, Suite 1805, Toronto, Ontario on Thursday, the 4<sup>th</sup> day of October 2018 commencing at 10:30 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, 2018, 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; and
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 Management Information Circular (the "**Circular**") dated August 24, 2018.

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

The Circular has been prepared to help you make an informed decision on each of the matters to be voted on at the Meeting. Please review the Circular carefully before voting. The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (the "**Notice and Access Provisions**") for the Meeting. The Notice and Access Provisions allow the Corporation to post proxy-related materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. Shareholders will still receive this Notice of Meeting and a form of Proxy (or Voting Instruction Form, if applicable) and may choose to receive a paper copy of the Circular.

The Meeting materials, including the Circular, are available on the Corporation's website at [www.labradorironmines.ca](http://www.labradorironmines.ca), and will remain on the website for at least one full year from the date of this Notice. The Meeting materials are also available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Any shareholder who wishes to receive a printed paper copy of this Circular may request a copy from the Corporation by calling (647) 728-4106 or download a copy from the Corporation's website at [www.labradorironmines.ca](http://www.labradorironmines.ca). If a shareholder requests a printed copy of the Circular prior to the date of the Meeting, the Corporation will send a printed paper copy of the Circular to the requesting shareholder at no cost to them within three business days of the request. If a shareholder requests a printed paper copy of the Circular after the date of the Meeting, the Corporation will send printed paper copies of the Circular to the requesting shareholder at no cost to them within ten calendar days of the request.

In order to allow for reasonable time to be allotted for a shareholder to receive and review a paper copy of the Circular prior to the proxy deadline, any shareholder wishing to request a paper copy of the Circular as described above, should ensure such request is received by September 24, 2018.

To obtain additional information about the Notice and Access Provisions, a shareholder may contact the Corporation by calling the following number: (647) 728-4106. A shareholder may also contact the Corporation at the contact number or address above to request and receive a copy of the Corporation's Financial Statements and Management's Discussion and Analysis. ("**MD&A**") for the fiscal year ended March 31, 2018. All shareholders are invited to attend the Meeting. Only shareholders at the close of business on August 24, 2018 are entitled to receive Notice of and vote at the Meeting.

If you are a registered shareholder, you will have received this Notice of Meeting and a form of Proxy from the Corporation (the “**Proxy**”). Registered shareholders who are unable to attend the Meeting are requested to read the notes included in the form of Proxy enclosed and then to complete, date, sign and mail the enclosed form of Proxy, in accordance with the instructions set out in the Proxy. Completed Proxies must be received by 10:30 a.m. (Eastern Standard Time) on October 2, 2018, unless the Chairman of the Meeting elects to exercise his discretion to accept Proxies received subsequently.

If you are a non-registered (beneficial) shareholder, you will have received this Notice and a form of Proxy from an Intermediary. Non-registered shareholders are requested to read the instructions included in the Proxy and then complete the Proxy in accordance with the instructions, and by the deadline, set out therein.

**DATED** at the City of Toronto, the Province of Ontario, this 24th day of August 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“John F. Kearney”*

---

John F. Kearney  
Chairman and Chief Executive

**NOTES:**

1. A Management Information Circular and a Proxy for holders of common shares accompany this Notice. Shareholders who are unable to be present at the Meeting are 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 24, 2018. Accordingly, shareholders registered on the books of the Corporation at the close of business on August 24, 2018 are entitled to receive the Notice.
3. A copy of the consolidated financial statements of the Corporation for the financial year ended March 31, 2018 has been mailed to shareholders of the Corporation who have requested it and a copy is also available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website at [www.labradorironmines.ca](http://www.labradorironmines.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

55 University Avenue, Suite 1805, Toronto, Ontario M5J 2H7  
Tel: 647-728-4106 Fax: 416-368-5344

### 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**”) to be held at the Corporation’s office, located at 55 University Avenue, Suite 1805, Toronto, Ontario on Thursday, the 4<sup>th</sup> day of October 2018 commencing at 10:30 a.m. **The solicitation will be made primarily by mail, but proxies may also be solicited in person or by telephone, by employees of the Corporation. The cost of solicitation will be borne by the Corporation. The information contained herein is given as of August 24, 2018, unless indicated otherwise.**

#### NOTICE-AND-ACCESS

The Corporation has elected to use the notice and access provisions (“**Notice and Access Provisions**”) for the Meeting pursuant to National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”) with respect to the mailing to its registered and non-registered (beneficial) shareholders. The Notice and Access Provisions allow the Corporation to post proxy-related materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. Shareholders will receive a Notice of Meeting and a form of Proxy and may choose to receive a printed paper copy of this Circular.

#### APPOINTMENT OF PROXIES

If you are a shareholder whose name appears on the Corporation’s share register as a shareholder (a “**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 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.**

#### VOTING BY PROXYHOLDERS

Your shares will be voted FOR, 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.

### **Registered Shareholders**

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a proxy, you must complete, date and sign the Proxy and return it to the Corporation's office at Labrador Iron Mines Holdings Limited – Investor Communication – AGM Proxy, PO Box 1178 Stn. Toronto Dominion, Toronto, Ontario M5K 1P2 in the enclosed envelope and ensuring that the Proxy is received by 10:30 a.m. on October 2, 2018.

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

### **Beneficial Shareholders**

**The information in this section is of significant importance to shareholders who do not hold shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meetings are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered shareholders of shares) or as set out in the following disclosure.

If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary").

In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### **Non-Objecting Beneficial Owners**

The Corporation is taking advantage of those provisions of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, which permit the Corporation to deliver proxy-related materials directly to its NOBOs.

This Circular, with related material and form of Proxy, is being sent or made available to both registered and non-registered shareholders of the Corporation. If you are a non-registered owner, and the Corporation has sent these materials directly to you, your name, address and details about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your shares on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding your shares on your behalf) has assumed responsibility for (i) delivering the materials to you, and (ii) executing your proper voting instructions. Please return your completed Proxy to the address specified.

The Corporation is taking advantage of those provisions of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, which permit the Corporation to deliver proxy-related materials directly to its NOBOs. These Proxies are to be completed and returned to the Corporation as set out in the instructions provided on the Proxy.

The Corporation will tabulate the results of the Proxy's received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the Proxies it receives. You have the right to appoint a person (who need not be a Shareholder) other than any of the persons designated in the Proxy to represent your shares at the Meeting and that person maybe you.

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces in Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be adversely affected by the fact that the Corporation is incorporated under the *Business Corporation Act* (Ontario), as amended, that certain of its directors and its executive officers are residents of Canada and countries other than the United States, and all of the assets of the Corporation and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **REVOCABILITY OF PROXY**

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 for of Proxy and have not specified in the 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 of Meeting.**

The enclosed Proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting 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.

## INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer since the beginning of the Corporation's last fiscal year, no proposed nominee for election as a director, and no associate or affiliate of any such persons has any material interest, direct or indirect, by way of a beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of common shares in the capital of the Corporation (the "**Common Shares**") of record at the close of business on August 24, 2018 (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 at August 24, 2018, the Corporation had 162,364,427 issued and outstanding Common Shares.

Each Common Share carries the right to one vote per share.

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 24, 2018
Anglesey Mining plc <sup>(1)</sup>	19,289,100	11.88%
Mining Developments LLC <sup>(2)</sup>	32,456,648	19.99%

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

(2) Mining Developments LLC is a wholly owned subsidiary of Gerald Metals

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 2.6% 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, 2018 together with the Auditor’s Report thereon are available on the Corporation’s website at [www.labradorironmines.ca](http://www.labradorironmines.ca) or under the Corporation’s Profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://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 (collectively the “**Board**” or each a “**Director**”) consist of a minimum of three and a maximum of nine Directors, to be elected annually. The Board currently consists of seven Directors, and the Board has fixed the number of directors to be elected at seven. Accordingly, management proposes to nominate the seven Directors named below 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 Proxy intend to vote the Common Shares represented by such Proxy FOR the election of each of the Directors listed in this Circular unless a shareholder specifies in the Proxy that his/her or its Common Shares are to be withheld from voting in respect to the election of such Director.**

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.

<b>Name and Municipality of Residence and Position held with the Corporation</b>	<b>Principal Occupation During the Preceding Five Years</b>	<b>Director Since</b>	<b>Common Shares beneficially owned, controlled or directed, directly or indirectly - as at August 17, 2018 <sup>(1)</sup></b>
John F. Kearney <sup>(4)</sup> 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	3,523,270
Matthew Coon Come <sup>(2)(3)</sup> Gatineau, Quebec Director	Former Grand Chief of the Crees of Northern Quebec and board member of the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority. Director of Goldcorp Inc.	August, 2007	Nil
Eric W. Cunningham <sup>(2)(3)</sup> Toronto, Ontario Director	Mining Consultant.	August, 2007	Nil



Gerald Gauthier <sup>(3)</sup> Toronto, Ontario Director	Mining Engineer Chief Operating Officer of Xtierra Inc.	August, 2007	75,000
D. William Hooley <sup>(4)</sup> 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	559,238
Brendan D. Lynch (2) London, England United Kingdom Director	Chartered Accountant Chief Financial Officer of the Gerald Group	February 21, 2017	Nil
Danesh K. Varma <sup>(4)</sup> Kingston, Surrey United Kingdom Director	Chartered Accountant Finance Director of Anglesey Mining plc, Chief Financial Officer of Buchans Resources Limited, Xtierra Inc, and Conquest Resources Limited. (Prior to November 2012 Chief Financial Officer of the Corporation.)	November, 2012	150,000

- (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) Member of the Corporation's Audit Committee.
- (3) Member of the Corporation's Compensation Committee.
- (4) 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 (besides 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; or
- (c) is 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 (other than the Corporation) that:
- (i) was subject to an Order<sup>(1)</sup> 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<sup>(1)</sup> 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; or
- (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:

On April 2, 2015, the Corporation instituted proceedings in the Ontario Superior Court of Justice for a financial restructuring under the Companies' Creditors Arrangement Act and a plan of arrangement was sanctioned by the Court on December 14, 2016, having been approved by creditors on December 6, 2016.

- (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 nominees for election as Directors of the Corporation.

**John F. Kearney**, *Age 67, 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, construction and operation of the Corporation's Schefferville iron ore projects. With over 46 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 a director and former President of the NWT & Nunavut Chamber of Mines and until June 2018 was a director and member of the executive committee of the Mining Association of Canada. 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.

**Matthew Coon Come**, *Age 62, Director.*

Mr. Coon Come is a Director of Goldcorp Inc. Mr. Coon Come is the former Grand Chief of the Crees of Northern Quebec and board member of the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority. He was National Chief of the Assembly of First Nations from 2000 to 2003 and previously was Grand Chief of the Grand Council of the Crees in Quebec from 1987 to 1999. 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. He has also served as Chairman of Cree Housing Corporation and James Bay Native Development Corporation. Mr. Coon Come is a member of the NACD and ICD. Mr. Coon Come has been presented numerous awards in the fields of aboriginal affairs and environmental stewardship. He received both the Goldman Prize (1994) and the National Aboriginal Achievement Award (1995). He was a founding director of the First Nations Bank of Canada. He was awarded Honorary Doctorate of Laws degree by Trent University in 1998 and by the University of Toronto in 2000. Grand Chief Matthew Coon Come was appointed an Officer of the Order of Canada in 2018.

**Eric W. Cunningham**, *Age 78, 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 72, Director.*

Mr. Gauthier is a mining engineer and is currently 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.

**D.W. (Bill) Hooley**, *Age 71, Vice-Chairman and Director.*

Mr. Hooley is Chief Executive of Anglesey Mining plc. Mr. Hooley is a professionally qualified mining engineer and has 48 years of experience in the mineral industry worldwide. He was President and Chief Operating Officer of the Corporation from 2007 until November 2011. 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.

**Brendan Lynch**, *Age 44, Director*

Mr. Lynch is currently the Chief Financial Officer of the Gerald Group, an international commodities merchant. The Group was founded in 1962 and is actively engaged in the physical merchanting, trade and structured financing of commodities, and provides trading and investment solutions to both producer and consumer clients worldwide.

**Danesh K. Varma**, *Age 68, Director.*

Mr. Varma is currently Finance Director, of Anglesey Mining Plc and Chief Financial Officer of Buchans Resources Limited. He served as Chief Financial Officer of the Corporation from 2007 until November 2012. Mr. Varma is a chartered accountant with over 35 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 a director of Brookfield Infrastructure Partners L.P.

## 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, 2018.

Name of Director	Board of Directors	Audit Committee
John Kearney	5/5	N/A
Matthew Coon Come	5/5	4/4
Eric Cunningham	4/5	3/4
Gerald Gauthier	5/5	4/4
D. William Hooley	5/5	N/A
Brendan Lynch	4/5	2/2
Danesh Varma	5/5	N/A

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

In view of the financial position of the Corporation, no cash compensation was paid to Directors for the most recently completed financial year. Payments of cash retainer fees were suspended effective June 30, 2013. Directors are reimbursed for all reasonable expenses incurred in attending meetings of the Board or any committee of the Board.

The following table shows that no director compensation was paid to any Director, other than Directors that are also Named Executive Officers, for the year ended March 31, 2018.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Matthew Coon Come	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Eric Cunningham	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerald Gauthier	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Hooley	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brendan Lynch	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Danesh Varma	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As of April 1, 2014, in view of the financial position of the Corporation, the independent Directors waived their participation in the Deferred Share Unit (“DSU”) Plan and the grant of DSUs was suspended effective March 31, 2014.

## Incentive plan awards – value vested or earned during the year

The following table shows that no incentive plan awards were vested to or earned by any Director, other than those that are also Named Executive Officers, for the year ended March 31, 2018.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Matthew Coon Come	Nil	Nil	Nil
Eric Cunningham	Nil	Nil	Nil
Gerald Gauthier	Nil	Nil	Nil
William Hooley	Nil	N/A	Nil
Brendan Lynch	Nil	N/A	Nil
Danesh Varma	Nil	N/A	Nil

## Outstanding 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, 2018.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	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 (\$) <sup>(1)(2)</sup>
Matthew Coon Come	Nil	N/A	N/A	Nil	Nil	N/A	Nil
Eric Cunningham	Nil	N/A	N/A	Nil	Nil	N/A	Nil
Gerald Gauthier	Nil	N/A	N/A	Nil	Nil	N/A	Nil
William Hooley	Nil	N/A	N/A	Nil	Nil	N/A	Nil
Brendan Lynch	Nil	N/A	N/A	Nil	Nil	N/A	Nil
Danesh Varma	Nil	N/A	N/A	Nil	Nil	N/A	Nil

(1) In February of 2015, the Corporation voluntarily delisted its common shares and warrants from the Toronto Stock Exchange.

(2) Calculated based on the number of DSU's granted multiplied by the market value of the shares underlying such DSU's based on the last reported trading price of the Corporations shares on the OTC market on March 31, 2018 of \$0.02 per share.

## 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 \$50,000 per event. The premium for 2018 is \$32,500. The policy contains standard industry exclusions and no claims have been made to date.

### 3. APPOINTMENT OF AUDITORS

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

UHY McGovern, Hurley 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, 2018 and 2017 for audit fees, audit related fees, tax fees and all other fees are set forth below:

	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>
Audit Fees <sup>(1)</sup>	<b>\$40,000</b>	\$52,500
Audit Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees	Nil	Nil
<b>Total</b>	<b>\$40,000</b>	<b>\$52,500</b>

(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.

### STATEMENT OF EXECUTIVE COMPENSATION

#### Objectives of Executive Compensation

In view of the financial situation of the Corporation and the outlook for the Corporation's Schefferville projects having regard to the prevailing weak price of iron ore, the Corporation implemented reductions in compensation across the organisation and this policy has continued through the years ended March 31, 2017 and 2018.

In normal circumstances, the Corporation's objectives of executive compensation are, having regard to the financial position of the Corporation, to provide total compensation packages to senior executive officers to ensure senior management is appropriately engaged and retained. Normally the general compensation philosophy for executive officers, including for the Chief Executive Officer, 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 management of the Corporation's business, 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 strategic development and implementation which aligns the interests of senior management with the interests of shareholders.

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 regarding their remuneration. The Compensation Committee's responsibilities and composition are described below.

Historically, prior to the year ended March 31, 2015, the compensation of Named Executive Officers Corporation had 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 and comparable levels of remuneration paid to similar executives of other companies of comparable size and development within the industry were taken into consideration.

The Compensation 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 Compensation 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 in the mining industry.

While the Corporation does not actively benchmark its compensation programs for Named Executive Officers, or 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.

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, 2018.

The use of traditional performance standards, such as corporate profitability, was not considered to be appropriate in the evaluation of corporate or executive performance. When approving executive compensation levels, the Committee and the Board considered the results of operations and the financial situation of the Corporation in a wider context regarding the outlook for the iron ore industry and the ongoing care and maintenance of the Corporation's mineral properties at the Schefferville Projects.

In prior years the compensation of executive officers had been comprised of cash compensation, incentive performance bonus and incentive stock options. During year ended March 31, 2014, the Corporation implemented reductions in compensation across the organisation and this policy continued in the year ended March 31, 2018. In future years, the grant of deferred share units under the Corporation's DSU Plan may also 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 Officer and generally reviewed by the Compensation Committee.

During the past three years ended March 31, 2018, having regard to the financial position of the Corporation, the Corporation implemented major reductions in staff and compensation levels across the organisation and revised terms of engagement were implemented for senior management, for their continuing service as officers of the Corporation, some on a part-time consulting, day to day, basis.

Following approval and implementation of the Corporation's Plan of Arrangement in December 2016 and having regard to the reduced level of activity, and the outlook for the Corporation's financial position, new revised terms of engagement to reduce compensation costs were agreed effective January 1, 2017, and these were further reduced during the year ended March 31, 2018. John Kearney, Chief Executive agreed that his previous salary should be reduced by 56% effective January 1, 2017. Deferred salary of \$231,250 in respect of years prior to April 1, 2017 remained outstanding and payable to John Kearney at March 31, 2018.

### Performance Incentives and Bonus

The Corporation did not set formal, person-specific, performance goals for the Chief Executive Officer or other Named Executive Officers for the fiscal year ended March 31, 2018.

The Corporation does not currently have a formal 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 based upon recommendation by the Compensation Committee. In considering the payment of a bonus to any Named Executive Officer, the Compensation Committee would take into account the individual performance and efforts of the executive, the progress made by the Corporation in furthering its business plans and the overall financial position of the Corporation.

Having regard to the financial position of the Corporation, no bonus was awarded to any of the Named Executive Officers in the year ended March 31, 2018.

### 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 normally an integral component of executive officer compensation packages. The Corporation's Stock Option Plan is administered by the Board in consultation with its Compensation Committee which is 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.

No stock options were granted during the three fiscal years ended March 31, 2018.

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.



## Summary Compensation Table

The following table sets out total compensation in respect of the Chief Executive Officer and Chief Financial Officer (the “Named Executive Officers”) for the years ended March 31, 2018, 2017 and 2016. The Corporation had no other executive officers whose total compensation exceeded \$150,000 for the fiscal year ended March 31, 2018.

Name and Principal Position	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(5)</sup>	Total Compensation (\$)
					Annual incentive plans	Long-term plans			
John F. Kearney Chairman and Chief Executive Officer	2018	208,500 <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A	Nil	208,500
	2017	452,000 <sup>(3)</sup>	N/A	N/A	N/A	N/A	N/A	Nil	452,000
	2016	475,000 <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A	Nil	475,000
Richard Pinkerton Chief Financial Officer	2018	144,000	N/A	N/A	N/A	N/A	N/A	Nil	144,000
	2017	144,000	N/A	N/A	N/A	N/A	N/A	Nil	144,000
	2016	144,000	N/A	N/A	N/A	N/A	N/A	Nil	144,000

(1) The financial year ended March 31.

(2) Includes salary of \$120,000 paid to John Kearney, and an additional \$88,500 paid to a private company controlled by John Kearney for the provision of administrative services.

(3) Includes salary of \$275,000 payable to John Kearney, of which \$121,250 remained outstanding and payable at March 31, 2018 and an additional \$177,000 paid to a private company controlled by John Kearney for the provision of administrative services.

(4) Includes salary of \$275,000 payable to John Kearney, of which \$110,000 remained outstanding and payable at March 31, 2018 and an additional \$200,000 paid to a private company controlled by John Kearney for the provision of administrative services.

(5) Perquisites have not been included, as they did not exceed 10% of total salary for any of the financial years ended March 31, 2016, 2017 or 2018.

## Outstanding share-based awards and option based awards

The following table shows all awards outstanding to each Named Executive Officer as at March 31, 2018.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	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	N/A	N/A	N/A
Richard Pinkerton Chief Financial Officer	Nil	N/A	N/A	Nil	N/A	N/A	N/A

## 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, 2018.

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
Richard Pinkerton, Chief Financial Officer	Nil	N/A	N/A

(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 employees of the Corporation. The benefit plan is designed to protect employees' health and that of their dependents, and provide insurance coverage 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.

## 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, 2018.

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	Nil <sup>(1)</sup>	N/A	16,236,442
Equity compensation agreements not approved by securityholders	N/A	N/A	N/A
Total	Nil	N/A	16,236,442

(1) Does not include a total of 1,077,362 DSUs credited to independent Directors which may, at the Corporation's option, result in the issue of Common Shares or cash or a combination of shares and cash. See Director Compensation and Equity Ownership.

### Summary of Stock Option Plan

The Corporation has established a 10% Rolling Stock Option Plan (the “**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.

There were no stock options issued and outstanding and as at the date of this Circular.

The Stock Option Plan is administered by the Board 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.

### **Summary of Deferred Share Unit Plan**

In 2012, Shareholders ratified the adoption of a Deferred Share Unit Plan (“**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. 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.

As of April 1, 2014, in view of the financial position of the Corporation, the independent Directors waived their participation in the DSU Plan and no DSUs were issued in the three fiscal years ended March 31, 2018.

### **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 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.

## **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**

During the year ended March 31, 2018, Messrs. Coon Come, Cunningham, Gauthier, Hooley, Lynch and Varma 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, 2018, none of the independent Directors has worked for the Corporation, received direct remuneration 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.

Messrs. Hooley and Varma, both currently directors and officers of Anglesey Mining Plc, the second largest shareholder of the Corporation, were previously executive officers of the Corporation but have not been executive officers of the Corporation for over five years. In the opinion of the Corporation's Board of

Directors Messrs. Hooley and Varma do not have a material relationship with the Corporation which could be reasonably expected to interfere with the exercise of such Director’s independent judgment.

The Chairman of the Corporation, John F. Kearney, is not considered independent in that he is also Chief Executive Officer of the Corporation.

### **Management Supervision by the Board**

The Corporation has an experienced Board 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. The Board has appointed a lead director, Eric Cunningham, 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 any 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, the exclusion of any non-independent Director from a board meeting is not always warranted.

In addition, the Audit Committee, comprised entirely of independent Directors, has the opportunity to meet with the auditors of the Corporation in the absence of members of management at least once per year to review the results of the Corporation’s annual audit prior to the Board’s consideration of the audited annual financial statements.

### **Participation of Directors in Other Reporting Issuers**

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
John Kearney <sup>(1)</sup>	Anglesey Mining plc (Chairman & Director) Buchans Resources Limited (Chairman, Chief Executive & Director) Canadian Zinc Corporation (Chairman & Director) Conquest Resources Limited (Chairman & Director) Xtierra Inc. (Chairman & Director)
D. William Hooley	Anglesey Mining plc (CEO & Director)
Mathew Coon Come	Goldcorp Inc (Director)
Gerald Gauthier	Conquest Resources Limited (Director) Xtierra Inc. (Chief Operating Officer and Director)
Danesh Varma <sup>(1)</sup>	Anglesey Mining Plc (CFO & Director) Brookfield Infrastructure Partners L.P. (Director) Buchans Resources Limited (CFO & Director) Conquest Resources Limited (CFO)

(1) 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.

## **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 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 meet with management on a regular basis.

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.labradorironmines.ca](http://www.labradorironmines.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.

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. In normal circumstances, the Board performs the functions of a nominating committee with responsibility for the appointment and assessment of Directors. In view of the current status of the Corporation, the composition of the current Board and the service of the current members of the Board, a separate nominating committee has not been considered necessary by the Corporation.

Under a Support Agreement entered into in December 2016, Mining Developments LLC has to right propose two nominees for election or appointment to the Board of Directors of 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 and add value to the Board the. As such, nominations to the Board have been the result of recruitment efforts by management and discussions among the Directors prior to the consideration by the Board as a whole.

The Corporation has not adopted specific term limits for the directors on its Board. The Corporation believes that term limits on directors would be unduly restrictive and not in the best interests of the Corporation and could become an arbitrary mechanism for removing directors which could result in qualified and experienced directors being forced to leave the Board solely because of length of service.

## **7. Compensation**

In view of the financial position of the Corporation no cash compensation was paid to directors for the most recently completed financial year. Payments of cash retainer fee were suspended effective June 30, 2013

and the grant of Deferred Share Units was suspended effective March 31, 2014, as described under “Compensation of Directors”. In normal circumstances, all Directors are eligible to participate in the Corporation’s Stock Option Plan. See “Compensation of Directors”.

## **8. Board Committees**

The Board currently has two committees, the Audit Committee and the Compensation Committee. From time to time, the Board may form ad hoc committees to consider specific transactions comprised of persons unrelated to the transaction. The Chairman of the Corporation does not sit on these committees.

## **9. Assessments**

The Board of Directors reviews on an ongoing informal basis the effectiveness of the Board as a whole and the effectiveness, contribution and performance of the Board, its committees and individual directors. Each year, when it determines the number of directors to be elected at the annual meeting of shareholders, the Board considers its appropriate size and composition to properly administer the affairs of the Company and to effectively carry out the duties of the Board, given the Company’s current status and stage of development.

## **10. Board and Corporate Diversity**

The Corporation currently does not have any women Board members or in executive officer positions (as such term is defined in the Canadian Securities Administrators guidelines. However, the Corporation recognizes the value of individuals with diverse attributes on the Board and in executive officer positions and the desirability of representation of women on the Board and in executive officer positions.

The Corporation has not adopted a written policy relating to the identification and nomination of women directors or regarding the number of women in executive positions because it does not believe that a written policy is the best way to achieve the Corporation’s business objectives.

The Corporation believes that the interests of the Corporation would be best served by ensuring that new directors or executives are identified and selected from the widest possible group of potential candidates. A formalized written diversity policy governing the identification and selection of potential women candidates may unduly restrict the Corporation’s ability to select the best and most suitable candidate.

The Board is responsible for establishing qualifications and skills necessary for an effective Board and various committees of the Board and for senior executive positions, including factors such as professional experience, particular areas of expertise, personal character, potential conflicts of interest, diversity and other commitments.

Although diversity, which includes diversity in gender, age, ethnicity and cultural background, is one of the factors considered in the Corporation's identification and selection process, other factors, including knowledge and relevant experience, or particular areas of expertise, are given greater consideration in the identification and selection process. In light of the Corporation's view that candidates should be selected from the widest possible group of qualified individuals, the level of representation of women may be considered but is not a major factor in identifying and appointing individuals to the Board.

The Corporation's policy with respect to the representation of women in executive officer positions is the same as its views on the representation of women in the director identification and selection process. In making decisions as to executive officer appointments, the Corporation believes that decisions to hire or promote an individual should be based on that person's knowledge and experience, particular areas of expertise, character and merit. Accordingly, the representation of women in executive officer positions may be considered but is not a major factor and is not an issue when making executive officer appointments.

The Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions for the reasons set out above. The Corporation believes that adopting such a target would unduly restrict its ability to select, hire or promote the best and most suitable candidate for the position in question.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

The Corporation's Audit Committee is governed by an Audit Committee Charter (the "**Charter**"). The Charter has been adopted by the Board in order to comply with NI 52-110 and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in the Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with NI 52-110, as amended from time to time. The Charter reads as follows:

"Charter of the Audit Committee of the Board of Directors

### **I. MANDATE**

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of the Corporation to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's mandate and responsibilities are to:

- recommend to the Board the external auditors to be nominated and the compensation of such auditor;
- oversee and monitor the work and performance of the Corporation's external auditors, including meeting with the external auditors and reviewing and recommending all renewals or replacements of the external auditors and their remuneration;
- pre-approve all non-audit services to be provided to the Corporation by the external auditors;
- review the financial statements and management's discussion and analysis (MD&A) and annual and interim financial results press releases of the Corporation;
- oversee the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- provide oversight to any related party transactions entered into by the Corporation.

### **II. AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the authority to:

- (1) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (2) set and pay the compensation for advisors employed by the Audit Committee; and
- (3) communicate directly with the external auditors.

### **III. COMPOSITION AND MEETINGS**

- (1) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including those of all applicable securities regulatory authorities.
- (2) The Committee shall be composed of three directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves



a member who shall serve as Chair. A minimum of two members of the Committee present either in person or by telephone shall constitute a quorum.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

- (1) Each member of the Committee shall be “independent” and shall be “financially literate” (as each such term is defined in Multilateral Instrument 52-110).
- (2) The Committee shall meet at least quarterly, as circumstances dictate or as may be required by applicable legal or listing requirements.
- (3) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

#### **IV. RESPONSIBILITIES**

- (1) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and report thereon to the Board and recommend to the Board whether or not same should be approved, prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.
- (2) The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management’s response.
- (3) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, management’s discussion and analysis and annual and interim earnings press releases before the Corporation publicly discloses this information.
- (4) The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, before the Corporation publicly disclose this information.
- (5) The Committee shall meet no less frequently than annually with the external auditors to review accounting practices, internal controls and such other matters as the Committee deems appropriate.
- (6) The Committee shall establish procedures for
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (7) The Committee shall provide oversight to any related party transactions entered into by the Corporation.
- (8) In the event that the Corporation wishes to retain the services of the Corporation’s external auditors for tax compliance or tax advice or any non-audit services the Chief Financial Officer of the Corporation shall consult with the Audit Committee, who shall have the authority to approve or disapprove such non-audit services. The Audit

Committee shall maintain a record of non-audit services approved by the Audit Committee for each fiscal year and provide a report to the Board on an annual basis.

- (9) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- (10) The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.”

### **Composition of the Audit Committee**

The current members of the Audit Committee are Messrs. Cunningham, Coon Come and Lynch, all of whom are independent and financially literate in accordance with National Instrument 52-110 (NI 52-110) – *Audit Committees*.

### **Relevant Education and Experience**

The education and experience of each Audit Committee Member is set out below:

Eric W. Cunningham, Age 78, 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. He also was 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.

Matthew Coon-Come, Age 62, Director. Mr. Coon Come is the former Grand Chief of the Crees of Northern Quebec and board member of the Grand Council of the Crees (Eeyou Istchee) and the Cree Regional Authority. He was National Chief of the Assembly of First Nations from 2000 to 2003 and previously was Grand Chief of the Grand Council of the Crees in Quebec from 1987 to 1999. 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. He has also served as 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 degree by Trent University in 1998 and by the University of Toronto in 2000..

Brendan Lynch, Age 44, Director. Mr. Lynch is currently the Chief Financial Officer of the Gerald Group, an international commodities merchant. The Group was founded in 1962 and is engaged in the physical merchandising, trade and structured financing of commodities, and provides trading and investment solutions to both producer and consumer clients worldwide. Mr. Lynch is a Chartered Accountant and obtained a Bachelor of Commerce Degree in 1995.

### **Pre-Approval of Policies and Procedures**

The Audit Committee has adopted procedures requiring Audit Committee review and approval in advance of all particular engagement for services provided by the Auditors. Consistent with applicable laws, the procedures permit limited amounts of services, other than audit services, to be approved by the Audit Committee provided the audit committee is informed of each particular service. All of the engagements and fees for fiscal years 2018 and 2017 were approved by the Audit Committee. The Audit Committee reviews with the auditors whether the non-audit services to be provided are compatible with maintaining the auditor's independence.

Since the commencement of the Corporation's most recently completed fiscal year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## **Whistleblower Disclosure**

The Corporation has in place a Whistleblower Policy pursuant to which Directors, officers and employees are encouraged to report violations of the Corporation's code of conduct and matters related to accounting, internal controls and auditing.

## **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's 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 SEDAR profile at [www.sedar.com](http://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, 2018 and may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com) or the Corporation's website at [www.labradorironmines.ca](http://www.labradorironmines.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) 728-4106 or by email at [lim-info@labradorironmines.ca](mailto:lim-info@labradorironmines.ca)

## **APPROVAL**

The contents and the sending of this Circular have been approved by the Board.

**DATED** at the City of Toronto, the Province of Ontario, this 24<sup>th</sup> day of August 2018

*"John Kearney"*

**John F. Kearney**

Chairman & Chief Executive