



Labrador Iron Mines Holdings Limited

**Notice of
Annual Meeting of Shareholders
to be held
October 28, 2020**

Management Information Circular

September 21, 2020

55 UNIVERSITY AVENUE, SUITE 1805, TORONTO, ONTARIO, CANADA M5J 2H7
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Labrador Iron Mines Holdings Limited

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders (the “**Meeting**”) of Labrador Iron Mines Holdings Limited (the “**Corporation**”) will be held **BY TELECONFERENCE DUE TO THE COVID-19 PANDEMIC AND GOVERNMENT ORDERS TO MAINTAIN PHYSICAL DISTANCING** on Wednesday, October 28, 2020 at 11:00 AM (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the fiscal year ended March 31, 2020, together with the report of the auditors thereon;
2. to elect 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.

Accompanying this notice is the Management Information Circular (the “Circular”), a form of Proxy and a request form to receive Annual and Interim Financial Statements and Management Discussion and Analysis. The Circular provides information relating to the matters to be addressed at the Meeting.

As this Meeting is being held by teleconference, Shareholders are requested to vote by proxy in accordance with the procedures described in the Circular accompanying this Notice. Shareholders are being requested to read, complete, sign and mail the enclosed form of Proxy in accordance with the instructions set out in the Proxy and in the Circular accompanying this Notice.

All shareholders are invited to attend the Meeting via teleconference. Only shareholders at the close of business on September 11, 2020 are entitled to receive Notice of and vote at the Meeting.

ATTEND THE MEETING BY TELECONFERENCE

Teleconference Details:

Date: October 28, 2020

Time: 11:00 AM (Eastern Standard Time)

Participants Telephone Numbers:

Teleconference Only

Canada: 416-764-8610

N.A.. Toll Free 1-888-884-4539

Guest Code: 8594733#

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

DATED at the City of Toronto, the Province of Ontario, this 21st day of September 2020.

BY ORDER OF THE BOARD OF DIRECTORS

“John F. Kearney”

Chairman & Chief Executive



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 by teleconference on Wednesday, the 28th day of October 2020 commencing at 11:00 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 September 11, 2020, unless indicated otherwise.**

NOTICE-AND-ACCESS

The Corporation has elected to use the notice-and-access process (“**Notice-and-Access**”) that came into effect on February 11, 2013 under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered Shareholders of the Corporation and Non-Registered Holders (as defined herein).

Notice-and-Access allows issuers to post electronic versions of Meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. The Corporation anticipates that utilizing the Notice-and-Access process will substantially reduce both postage and printing costs.

Meeting materials including the Circular and the Corporation’s Audited Financial Statements for the year ended March 31, 2020 and the Corporation’s Management Discussion and Analysis are available on the Corporation website at www.labradorironmines.ca and on the Corporation’s SEDAR profile at www.sedar.com.

Although the Circular and related materials will be posted electronically online, as noted above, Registered Shareholders and Non-Objecting Beneficial Owners (“**NOBOs**”) will receive a “**Notice-and-Access Notification**”, by prepaid mail, which includes the information prescribed by NI 54-101, and a form of Proxy, from the Corporation. Registered and NOBOs should follow the instructions for completion and delivery contained in the Proxy.

The Corporation does not intend to pay for intermediaries to forward the Notice-and-Access Notification to Objecting Beneficial Owners (“**OBOs**”) under NI 54-101, and therefore an OBO will not receive the Notice-and-Access Notification unless the OBO’s intermediary assumes the cost of delivery.

Shareholders will not receive a paper copy of the Circular unless they request paper copies from the Corporation. Requests for paper copies of the Meeting Materials must be received at least seven (7) business days in advance of the proxy deposit date and time, being 4:00 p.m. on October 20, 2020.



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The Corporation will mail the requested materials within three (3) business days of the request. Shareholders with questions about Notice-and-Access may contact the Corporation at 647-728-4106 or email info@labradorironmines.ca.

APPOINTMENT OF PROXYHOLDER

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. 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 PROXYHOLDER

The persons named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) Each matter identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) Any amendment to or variation of any matter identified therein; and
- (c) Any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the shares represented by the Proxy for the election of nominees of management as Directors and for the Appointment of Auditors as identified in the Proxy, as applicable, and at their discretion in respect of any other matter that properly comes before the Meeting.

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.

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.

INFORMATION ON NON-REGISTERED HOLDERS

Only Registered Shareholders of the Corporation or the persons they appoint as their proxies may be permitted to vote at the Meeting. Registered Shareholders are holders of Shares of the Corporation whose names appear on the share register of the Corporation and are not held in the name of a brokerage firm, bank or trust company or other intermediary through which they purchased Shares or subsequently deposited the Shares.



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Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company or other intermediary through which they purchased the Shares or subsequently deposited the Shares.

The Corporation's Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a **clearing agency** (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Corporation is sending the Notice and Access Notification and Proxy directly to NOBOs. Non-Registered Shareholders are requested to vote and return their Proxy in accordance with the instructions on the Proxy.

In accordance with applicable securities law requirements, the Corporation has distributed copies of the Meeting materials to the Clearing Agencies and Intermediaries for distribution to OBOs. The Corporation does not intend to pay for Intermediaries or Clearing Agencies to deliver the Meeting materials.

A Non-Registered Shareholder may revoke a Proxy or voting instruction form or a waiver of the right to receive Meeting materials which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

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.



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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 September 11, 2020 (the “**Record Date**”) will be entitled to vote at the Meeting or at any adjournment thereof, 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 September 11, 2020, 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 September 11, 2020
Anglesey Mining plc ⁽¹⁾	19,289,100	11.88%
Mining Developments LLC ⁽²⁾	32,456,648	19.99%

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

(2) Mining Developments LLC, an affiliate of the Gerald Group.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

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.



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Name and Municipality of Residence and Position held with the Corporation	Principal Occupation During the Preceding Five Years	Director Since	Shares owned, as at September 11, 2020 ⁽¹⁾
John F. Kearney ⁽⁴⁾ Toronto, Ontario Chairman, Chief Executive and Director	Mining Executive Chairman and Chief Executive of the Corporation; and Chairman of Anglesey Mining Plc.	May, 2007	3,523,270
Matthew Coon Come ⁽²⁾⁽³⁾ Gatineau, Quebec Director	Director of Newmont Corporation. Former Grand Chief of the Grand Council of the Crees (Eeyou Istchee), Quebec and Former National Grand Chief of the Assembly of First Nations.	August, 2007	Nil
Eric W. Cunningham ⁽²⁾⁽³⁾ Toronto, Ontario Director	Mining Consultant.	August, 2007	Nil
Gerald Gauthier ⁽³⁾ Toronto, Ontario Director	Retired Mining Engineer.	August, 2007	75,000
D. William Hooley ⁽⁴⁾ West Sussex, United Kingdom Vice-Chairman and Director	Chief Executive of Anglesey Mining plc	May, 2007	559,238
Brendan D. Lynch ⁽²⁾ London, England United Kingdom Director	Chartered Accountant Independent Board Member of the Gerald Group (Prior to 2019, Chief Financial Officer of the Gerald Group).	February, 2017	Nil
Danesh K. Varma ⁽⁴⁾ Kingston, Surrey, United Kingdom Director	Chartered Accountant Finance Director of Anglesey Mining plc	November, 2012	150,000

(1) The information as to common shares beneficially owned directly or indirectly, or over which the above-named Directors exercise control or direction as of September 11, 2020, 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.

The Board of Directors

The following information relates to the nominees for election as Directors of the Corporation.

John F. Kearney, Age 69, *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 47 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 was previously a director and President of the NWT & Nunavut Chamber of Mines and 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, and the Prospectors and Developers Association of Canada. He holds degrees in law and economics from the University College Dublin and a Masters in Business Administration from Trinity College Dublin.



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Matthew Coon Come, *Age 64, Director.*

Mr. Coon Come is a Director of Newmont Corporation, and served as a director of Goldcorp Inc. from 2017 to 2019. 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. 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. 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 awarded Honorary Doctorate of Laws degree by Trent University in 1998 and by the University of Toronto in 2000, and was awarded an Officer of the Order of Canada in 2018.

Eric W. Cunningham, *Age 80, Director.*

Mr. Cunningham has been 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 74, Director.*

Mr. Gauthier is a retired mining engineer and was previously Chief Operating Officer of Xtierra Inc. until 2018, and from 2005 to June 2008 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 73, Vice-Chairman and Director.*

Mr. Hooley is Chief Executive of Anglesey Mining plc. Mr. Hooley is a professionally qualified mining engineer and has over 50 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 46, Director.*

Mr. Lynch is an Independent Board Member of the Gerald Group. Previously, he was the Chief Financial Officer and Global Head Mergers & Acquisitions of the Gerald Group, an international commodities merchant. Mr. Lynch is a Chartered Accountant and obtained a Bachelor of Commerce Degree in 1995.



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Danesh K. Varma, Age 70, Director.

Mr. Varma is currently Finance Director, of Anglesey Mining Plc. He served as Chief Financial Officer of the Corporation from 2007 until November 2012. Mr. Varma is a chartered accountant with over 37 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 holds directorships with Buchans Resources Limited, Brookfield Investment Corp., Canadian Manganese Company Inc and Minco Exploration 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 (other than 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⁽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; 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.

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.



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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 \$5 million, subject to a deductible of \$50,000 per event. The premium for 2020 is \$20,400. The policy contains standard industry exclusions and no claims have been made to date.

STATEMENT OF EXECUTIVE COMPENSATION

Objectives of Executive Compensation

In view of the financial situation of the Corporation, the Corporation implemented reductions in compensation across the organisation and this policy has continued through the years ended March 31, 2019 and 2020.

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 relies on the general knowledge and experience of its members, and recommendations from the Chief Executive Officer, in reviewing appropriate levels of compensation for



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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.

Historically, the compensation of Named Executive Officers had been comprised primarily of cash compensation and the award 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.

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, 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 two fiscal years ended March 31, 2020.

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 consider 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. Following the suspension of the mining operations, the Corporation implemented reductions in compensation across the organisation and this policy continued in the year ended March 31, 2020.

Base Salary

During the year ended March 31, 2020 the Corporation had two Named Executive Officers, the CEO and the CFO.



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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 several years ended March 31, 2020, having regard to the financial position of the Corporation, the Corporation implemented major reductions in staff and compensation levels 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.

Having regard to the reduced level of activity and the Corporation's financial position, 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. The salaries of the CEO and CFO remained unchanged in the year ended March 31, 2020.

Deferred salary of \$231,250 in respect of years prior to April 1, 2017 remained outstanding and payable to the Chief Executive, John Kearney, at March 31, 2020.

Performance Incentives and Bonus

The Corporation did not set formal, person-specific, performance goals for the Chief Executive Officer or the Chief Financial Officer for the fiscal year ended March 31, 2020.

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 Named Executive Officer in the year ended March 31, 2020. 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.

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 fiscal year ended March 31, 2020.



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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.

Director and Named Executive Officer Compensation

Particulars of compensation earned by each NEO and Director in the two most recently audited financial years are set out in the summary compensation table below:

Table of compensation excluding compensation securities							
Name and Position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽³⁾	Value of all other compensation (\$)	Total compensation (\$)
John F. Kearney Chairman, CEO & Director	2020	150,000 ⁽²⁾	Nil	Nil	Nil	Nil	150,000
	2019	150,000 ⁽²⁾	Nil	Nil	Nil	Nil	150,000
Richard Pinkerton, Chief Financial Officer	2020	144,000	Nil	Nil	Nil	Nil	144,000
	2019	144,000	Nil	Nil	Nil	Nil	144,000
Matthew Coon-Come Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Eric Cunningham Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Gerald Gauthier Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
D.W. (Bill) Hooley Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Brendan Lynch Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Danesh Varma Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes

- (1) The financial year ended March 31.
- (2) Includes salary of \$120,000 payable to John Kearney and an additional \$30,000 payable to a private company controlled by John Kearney for the provision of administrative services. As at March 31, 2020, \$231,250 of accrued deferred salary for the years ended March 31, 2016 and 2017 remained unpaid to John Kearney. As at March 31, 2020, \$35,000 remained unpaid for administrative services to the private company controlled by John Kearney.
- (3) Perquisites have not been included, as they did not exceed 10% of total salary for the financial year ended March 31, 2020.

Stock Options and Other Compensation Securities

There were no incentive stock options granted or issued to Directors and Named Executive Officers during the financial year ended March 31, 2020. In view of the financial position of the Corporation, the independent Directors waived their participation in the deferred share units (“DSU”) Plan in 2014.

No stock options were exercised by a Director or Named Executive Officer and no options remain outstanding during the financial year ended March 31, 2020.

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



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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 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 for the fiscal year ended March 31, 2020.

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.

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.

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 McGovern Hurley 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.

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



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The aggregate amounts billed by auditors for the two fiscal years ended March 31, 2020 and 2019 for audit fees, audit related fees, tax fees and all other fees are set forth below:

	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit Fees ⁽¹⁾	\$40,000	\$40,000
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees	Nil	Nil
Total	\$40,000	\$40,000

(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.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at March 31, 2020.

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 ⁽¹⁾	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 and Named Executive Officer Compensation.

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*.

The Board of Directors

During the year ended March 31, 2020, 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, 2020, 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



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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 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 Director. Accordingly, the exclusion of the 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

Name of Director	Name of Other Reporting Issuer
John Kearney	Anglesey Mining plc (Chairman & Director) Buchans Resources Limited (Chairman, Chief Executive & Director) Conquest Resources Limited (Chairman & Director) Canadian Manganese Company Inc (Chairman & Director) Xtierra Inc. (Chairman & Director)
Matthew Coon Come	Newmont Corporation (Director)
D. William Hooley	Anglesey Mining plc (CEO & Director)
Gerald Gauthier	Conquest Resources Limited (Director) Xtierra Inc. (Director)
Danesh Varma	Anglesey Mining Plc (CFO & Director) Brookfield Investment Corp. (Director) Buchans Resources Limited (CFO & Director) Canadian Manganese Company Inc (Director) Conquest Resources Limited (CFO)

Board Mandate

The mandate of the Board is to supervise the management of the business and affairs of the Corporation. The Board does not have a written mandate. 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



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ensuring appropriate management of these risks. The Board is also responsible for making all senior officer appointments, performance evaluation, management development and succession planning.

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 Chairmen 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.

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 familiar 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.

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. 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



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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.

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 the right to 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. 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.

The Directors are elected for a term of one year to hold office until the next Annual Meeting of Shareholders and it is the Corporation's policy that all Directors should be subject to re-election at each Annual Meeting of Shareholders.



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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 “Director and Named Executive Officer Compensation”. In normal circumstances, all Directors are eligible to participate in the Corporation’s Stock Option Plan. See “Director and Named Executive Officer Compensation”.

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.

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 Corporation and to effectively carry out the duties of the Board, given the Corporation’s current status and stage of development.

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 for effective corporate governance). 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.



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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;



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- (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.



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- (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*. The Board of Directors has determined that the Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position.

Relevant Education and Experience

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

Eric W. Cunningham: Mr. Cunningham has been 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.

He has an understanding of the accounting principles used by the Corporation to prepare its financial statements. He has experience in supervising the preparation, auditing, analyzing, and evaluation of financial statements with accounting issues at least comparable to the financial statements and the issues that can be reasonably be expected to be raised by the Corporation's financial statements. He has an understanding of internal controls and procedures for financial reporting.

Matthew Coon-Come: Mr. Coon Come is a Director of Newmont Corporation and was a Director of Goldcorp Inc. from 2017 to 2019. He is a Founding Member of the Board of Compensation of the Cree Nation and has been a director of Creco; AirCreebec, Cree Regional Intercompany Enterprise Company and



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Cree Construction Company. He has also served as Chairman of Cree Housing Corporation and James Bay Native Development Corporation.

He has an understanding of the accounting principles used by the Corporation to prepare its financial statements. He has experience evaluating financial statements with accounting issues at least comparable to the financial statements and the issues that can be reasonably be expected to be raised by the Corporation's financial statements. He has an understanding of internal controls and procedures for financial reporting.

Brendan Lynch: Mr. Lynch is a Chartered Accountant and obtained a Bachelor of Commerce Degree in 1995. Mr. Lynch is an Independent Board Member of the Gerald Group. Previously, he was the Chief Financial Officer and Global Head Mergers & Acquisitions of the Gerald Group, an international commodities merchant.

He has an in depth understanding of the accounting principles used by the Corporation to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves. He has in depth experience preparing, auditing, analyzing and evaluating financial statements with accounting issues at least comparable to the financial statements and the issues that can be reasonably be expected to be raised by the Corporation's financial statements. He has an in depth understanding of internal controls and procedures for financial reporting.

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 2020 and 2019 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.

During the year ended March 31, 2020, Energold Minerals Inc, a company controlled by John F. Kearney, Chairman and Chief Executive, made advances to the Corporation totaling \$400,000 (2019 - \$Nil) on a temporary basis to fund short term working capital, which was repaid in full prior to the end of the year.



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ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's SEDAR profile 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, 2020 and may be viewed on SEDAR at www.sedar.com or the Corporation's website at www.labradorironmines.ca.

Shareholders may contact the Secretary of the Corporation to request copies of the Corporation's Consolidated Financial Statements and Management Discussion and Analysis at (647) 728-4106 or by email at 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 21st day of September 2020.

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