LABRADOR IRON MINES HOLDINGS LIMITED

ANNUAL MEETING OF SHAREHOLDERS

OCTOBER 28, 2020

Remarks of John F. Kearney, Chairman and Chief Executive

OVERVIEW

Labrador Iron Mines Holdings Limited ("LIMH"), through its majority owned subsidiaries Labrador Iron Mines Limited ("LIM") and Schefferville Mines Inc. ("SMI"), owns extensive iron ore resources in the central part of the Labrador Trough, one of the major iron ore producing regions in the world, centered near the town of Schefferville, Quebec.

In providing an update report to shareholders, **John F. Kearney, Chairman and Chief Executive**, said:

"Today, I am pleased to report that, in light of persistently stronger iron ore prices over the past two years, and with increased inquiries and expressions of interest from potential off-takers seeking iron ore supply and encouragement from local indigenous stakeholders, LIM is now working to advance Stage 2 of its planned direct shipping ore mining operations, which involves the development of its Houston Project, located about 20 km southeast of Schefferville.

PRELIMINARY ECONOMIC ASSESSMENT (PEA) UNDERWAY ON HOUSTON PROJECT

Development of the Houston Project will require development financing, and to assist in securing such financing, and as the appropriate next step to advance the project, LIM has engaged Roscoe Postle Associates Inc. (RPA), to complete an independent Preliminary Economic Assessment (PEA) and a current NI 43-101 compliant technical report on the Houston deposit to be used for consideration of possible financing options to advance the Houston Project. The PEA is expected to be completed before the end of 2020.

RPA, now part of SLR Consulting Ltd (SLR), is a world-leading mining advisory business with teams in Toronto, Quebec, Vancouver, Denver, and London, and includes geological, mining and metallurgical consultants who have provided expertise and advice on every continent to clients in the mining industry for more than 35 years. We believe RPA/SLR is uniquely qualified to carry out the Houston PEA as it has extensive relevant iron ore experience on many projects in Canada (including Schefferville and Labrador) and in other parts of the world. In 2019, RPA was acquired by SLR Consulting Ltd, a global leader in environmental and advisory solutions.

The Houston property is situated in Labrador about 20 km southeast of the town of Schefferville. The Houston deposits, together with the Malcolm deposit in Quebec considered to be its northwest extension, are estimated to contain a combined measured and indicated resource of 40 million tonnes grading 57.6% iron ("Fe"). The PEA will focus on a higher grade subset of this resource suitable for direct shipping using dry crushing and screening only.

LIM's original plan for its Schefferville Projects envisioned the development and mining of its various deposits in stages. Stage 1 involved development of the James deposit which commenced mining in 2011. In the three-year period of 2011, 2012 and 2013 LIM produced a total of 3.6 million dry metric tonnes of iron ore from the James Mine, all of which was railed to Sept-Iles and sold in 23 cape-size shipments into the China spot market.

LIM's current focus is now on planning activities related to the development of its Stage 2 Houston deposits and, subject to securing development financing, LIM is working to commence production of direct shipping iron ore from the Houston deposits at the earliest opportunity.

Development of the Houston Project is subject to the availability of development financing and there are no assurances that LIM will be successful in obtaining the required financing.

LIM did not undertake any mining operations since the termination of mining at the James Mine in 2014, primarily due to volatile iron ore market conditions, but has maintained its properties on a stand-by care and maintenance basis with the objective of resuming mining operations when prices and economic conditions warrant.

During the past several years, LIM has continued to conduct a variety of operational activities with the objective of preserving its assets, and in particular undertaking the reclamation and rehabilitation of the Stage 1 mine sites and infrastructure. Over the past five years LIM has completed a $3.5 million reclamation and rehabilitation programme on the former James Mine and Silver Yards processing site, which has now been effectively completed, with all environmental and regulatory obligations successfully satisfied, paving the way for moving forward to Stage 2 and the development of Houston.

STRONGER IRON ORE MARKET CONDITIONS

For the past two years the iron ore price has persistently exceeded US$100/tonne (62% Fe/CFR China). This has been a function of both supply disruptions but also steady and increasing demand from China, which demand shows no signs of declining.

The iron ore market in the first half of 2019 was characterized by significant supply disruptions, particularly in Brazil and Australia, which caused a steady rise in the iron ore price. After beginning 2019 at US$70/tonne, the price rose to a 5 year high of US$126/tonne in early July 2019, before falling back in the second half of the year to US$85-US$90/tonne range.

In January 2020, the price temporarily declined to approximately US$80/tonne, due to the initial impact of the Covid-19 pandemic, which caused a short-term curb in China's steel production due to public health measures.

By mid-February 2020, however, China's steel production began to increase again, based on significant government stimulus programs (geared primarily towards transportation and civic infrastructure and industrial parks) and an improving domestic public health situation. By July 2020, China was on track to break its previous annual record of steel production and associated iron ore imports. In July alone, China imported 112 million tonnes of iron ore and produced 93 million tonnes of crude steel, both representing monthly records, and an increase of 24% and 9% respectively over the same month in 2019.

China's industrial output in September surpassed all expectations, with daily run-rates for steel hitting all-time highs as state spending accelerated and the nation's producers fed rising demand in sectors like construction and automobiles. China imported more than 100 million mt of iron ore for the fourth consecutive month in September, reaching 108 million tonnes.

The global sea-borne iron ore market is dominated by demand from China, the world's largest steel producer and consumer of iron ore, and supply from Australia and Brazil, the world's largest iron ore producing countries.

On the supply side in 2020, Brazil, already impacted by major tailings dam failures, was particularly hard-hit by Covid-19, which interrupted the country's iron ore production, resulting in tight supply in the global iron ore market.

The cumulative impact of robust demand in China and tight supply led to a significant increase in the price of iron ore during the first three quarters of 2020. In September 2020, the price reached US$130/tonne, the highest in more than six years, representing a more than 40% increase during the year.

Although the price has eased somewhat in October, market commentators are generally confident that continuing strong China demand will support a robust iron ore market. Seaborne supply is expected to be strong in the fourth quarter 2020, but high steel production is expected to keep the iron ore market largely supported. Going forward, a significant global economic recovery, driven by massive Covid recovery stimulus programs expected worldwide in 2021, should create strong demand for steel and a supportive price floor for iron ore in the US$100/tonne range.

As iron ore is the main steelmaking ingredient, any increase in steel production has a direct impact on iron ore demand. Demand for steel, and thus for iron ore, is largely dependent on economic and infrastructure growth in China. China's increasing steel intensity (steel usage per capita) has been driven by rapid economic growth and continued urbanization, leading to significant increases in the rate of residential construction, public infrastructure development and durable goods production. Economic growth in China is expected to continue, with steel production forecast to exceed more than 1 billion tons in 2021. Current consensus is that China's iron ore imports are expected to increase through 2021 and this continuing growth in demand should support prices in the US$100/tonne range.

HOUSTON IRON ORE PROJECT

LIM has engaged Roscoe Postle Associates Inc. (RPA), to complete an independent Preliminary Economic Assessment (PEA) and a current NI 43-101 compliant Technical Report on the Houston and Malcolm properties to be used for consideration of possible financing options to advance the Houston Project.

It is envisaged that four open pits would be developed sequentially to produce an average of 2 million tonnes per year of direct shipping iron ore (lump and sinter) over a 10 year mine-life.

The current development plan for Houston, to be confirmed by the PEA, is based on dry crushing and screening only, at a planned production rate of 10,000 tonnes of ore per day. The Houston deposits are believed to contain harder ore than LIM's former James mine and are anticipated to produce a larger proportion of premium lump product.

Houston Already Permitted

In 2012, following the submission of a project registration to the Government of Newfoundland and Labrador for the development of the Houston #1 and #2 deposits, including a haul road and a new railway siding, the Minister of Environment and Conservation confirmed, in accordance with the Environmental Protection Act, the Houston 1 and 2 Deposits Mining Project was released from further environmental assessment, subject to a number of conditions. A 6 km gravel access road has already been logged and cleared and a new 2 km rail siding has been logged and has final engineering design.

The Closure and Rehabilitation Plan for the Houston 1 and Houston 2 deposits has been approved to allow for initial development. The first two deposits are permitted in Newfoundland and Labrador. One Labrador deposit and one Quebec deposit require future permitting. Non-contact pit dewatering and storm water would be pumped to the dormant historical Redmond open pit for disposal with no discharge of water to the environment. The adjacent Malcolm deposit, included in the Houston Project, has not been permitted by the Province of Quebec and is proposed to be developed in the second half of the project timeline.

Rail and Port

The Company's Schefferville Projects are connected by a direct rail line to the Port of Sept-Iles on the Atlantic Ocean and benefit from established infrastructure, including, the town, airport, roads, hydro power and rail service.

LIM has existing life-of-mine rail agreements with Quebec North Shore and Labrador Railway ("QNS&L") and Tshiuetin Rail Transportation Inc. ("TSH") for the transport of iron ore across the 235 km TSH railway and the 350 km QNS&L railway to the Port of Sept-Iles. These agreements are currently suspended until LIM's mining operations resume. LIM will be seeking additional amendments to be effective when the suspended contracts are reactivated.

The port handling arrangements for the future shipment of LIM's iron ore production remain subject to ongoing evaluation and finalization. The Company continues to evaluate different options for the unloading, stockpiling and ship loading of the Company's iron ore products at the Port of Sept-Iles. These potential options include renewal of a port access agreement with IOC, use of the Société Ferrovaire et Portuaire de Pointe Noire ("SFPPN", a public private partnership) port assets and/or use of the Port's new multi-user deep water dock and/or other facilities in the Port of Sept-Iles. Use of such facilities would require negotiation of a new agreement(s) with IOC, SFPPN and/or the Port.

LIM'S MINERAL PROPERTIES

LIM's Schefferville Projects, including Houston, comprise numerous different iron ore deposits of varying sizes divided into separate portions, part within the Province of Newfoundland and Labrador and part within the Province of Quebec. LIM's various deposits are all part of the original 400 million tons of historical direct shipping operations (DSO) reserves and resources previously identified by the Iron Ore Company of Canada ("IOC"), which reported producing in excess of 150 million tons of lump and sinter fine ore between 1954 and 1982, leaving approximately 250 million tons behind when it shut down its Schefferville operations in 1982.

LIM holds current measured and indicated DSO mineral resources of approximately 55 million tonnes at an average grade of 56.8% Fe and current inferred resources of approximately 5.0 million tonnes at an average grade of 55.6% Fe on its Schefferville Projects, including Houston. LIM also holds a total of approximately 50 million tonnes in historical resources in various deposits.

In addition, LIM holds the Elizabeth Taconite Property, which has a current inferred mineral resource of 620 million tonnes at an average grade of 31.8% Fe, located approximately four km west of LIM's former James Mine. The initial Elizabeth target measures approximately four km long and is made of magnetite and hematite dominant zones. There is significant potential for resource expansion as the deposit remains open along strike to the northwest and southeast.

The Elizabeth property location is advantageous, and has direct access to existing roads, rail bed and power line corridor. Elizabeth represents an opportunity to develop a major new taconite operation in the Schefferville region of the Labrador Trough. Taconites require upgrading through a concentrator involving a major capital investment which would produce a high-grade saleable iron ore product higher than 68% Fe, which would attract premium iron ore prices.

LIM'S ONGOING OPERATIONAL AND RECLAMATION ACTIVITIES

During the past several years, LIM has continued to conduct a variety of operational activities with the objective of preserving its assets, in particular fulfilling environmental and regulatory obligations, maintaining its core mineral properties, and generating sufficient working capital to fund such expenditures.

LIM's former James Mine and the Silver Yards processing facility have been in progressive reclamation since the termination of mining at the James Mine in 2014. In the summer of 2019 LIM substantially completed the rehabilitation of its Silver Yards plant site. LIM dismantled and removed its wet processing plant which was used to process ore from the James mine. Following demolition, approximately 1,500 tonnes of structural steel and scrap metal were transported from site by rail and recycled, with the proceeds subsidizing the reclamation costs.

A rehabilitation program of top-soil spreading with seeding and re-vegetation was completed during the summer of 2020. LIM has now effectively completed its environmental regulatory requirements relating to its Stage 1 mining operations, which involved rehabilitation of the former James Mine, the Silver Yards processing site and associated site infrastructure.

At the commencement of production from the James Mine in 2010, the original cost of rehabilitation of LIM's Stage 1 mining operations was estimated at approximately $3.5 million. Over the past five years LIM has successfully completed the reclamation and rehabilitation of the James Mine and Silver Yards processing site.

At fiscal year-end March 31, 2019, the total estimated cost to complete the remaining reclamation and remediation obligations related to its Stage 1 mining operations was approximately $1.85 million, and LIM had an equal amount of restricted cash set aside as security for financial assurance provided to the Government of Newfoundland and Labrador with respect to site closure and rehabilitation obligations.

LIM received the release of approximately $500,000 of restricted cash set aside as financial assurance for such rehabilitation following completion of the 2019 reclamation at James Mine and Silver Yards, and, subject to final government approval, LIM expects the release of a further approximately $300,000 in restricted cash by the end of calendar 2020.

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Summer Exploration Programs

In the summer 2019, LIM conducted a field exploration program on its mineral licences in Labrador. This was the first exploration program undertaken in a number of years. The objectives of this exploration program were to maintain LIM's mineral licenses in good standing; examine potential extensions to known mineralization; evaluate extensions to existing open pit mines adjacent to LIM mineral licences; and identify the potential for buried DSO iron ore deposits in areas of glacial till cover.

Although LIM holds extensive iron ore resources in a number of different deposits, many of these are relatively small (except Houston which is estimated to contain 40 million tonnes). On the other hand, LIM previously held the Howse deposit, which LIM sold in two steps to Tata Steel Minerals Canada (TSMC) in 2013 and 2015 for a total of $35 million.

Howse is a large, high grade, DSO deposit, now estimated by TSMC at 46 million tonnes but, unique for the Schefferville area, is completely covered by overburden, unlike all of LIM's other deposits which have surface expression. LIM is particularly interested in continuing exploration on LIM's extensive mineral claims for other buried deposits, similar to Howse in size and grade.

In June 2020, the Minister of Natural Resources announced measures to assist the mining and mineral exploration industries in Newfoundland and Labrador during the Covid-19 global pandemic, including deferring rental and fee payments and waiving mineral expenditure requirements for 2020. The measures include deferral of rental and fee payments associated with land tenure issued under the Mineral Act until December 31, 2020 and waiver of mineral assessment expenditure requirements for mineral licences from March 18, 2020 to March 17, 2021.

The Province of Quebec also announced Covid-related relief measures to assist the mining and minerals industry in Quebec. All claim renewals and work commitments have been waived for one year beginning April 9, 2020. This measure will waive SMI expenditure requirements and will keep SMI's mineral claims in Quebec in good standing until 2021.

Throughout 2020 LIM followed the instructions and advice of Provincial and Federal health authorities, as well as industry-wide best practice guidelines, to help limit the spread of Covid-19 and protect local communities. As a result, no field exploration programs were carried out in 2020 and, because of the Covid-19 relief measures, LIM's mineral expenditure requirements for 2020 have been waived.

THANKS

Finally, I would like to again thank the Board of Directors, who continue to serve without compensation fulfilling their fiduciary responsibilities, and our small management team for their dedication and loyalty.

I would also like to acknowledge all our stakeholders for their renewed interest and all shareholders for their continuing support."