



ANNUAL GENERAL MEETING

MAY 16, 2023

NOTICE TO READER

All dollar figures are stated in Canadian (“CDN”) dollars unless noted otherwise.

The information contained in this presentation is derived from publicly available sources, such as annual and quarterly financial reports and the annual information form filed by Labrador Iron Ore Royalty Corporation (“LIORC”) in accordance with applicable securities laws, Rio Tinto reports and releases, news reports and analysts’ reports. Certain market and pricing data contained in this presentation has been obtained from S&P Global Platts.

This presentation may contain “forward-looking” statements that involve risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Words such as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “should”, “would”, “anticipate” and other similar terminology are intended to identify forward-looking statements. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this presentation. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly, including iron ore price and volume volatility; the performance of IOC; market conditions in the steel industry; fluctuations in the value of the Canadian and U.S. dollar; mining risks that cause a disruption in operations and availability of insurance; disruption in IOC’s operations caused by natural disasters, severe weather conditions and public health crises, including the COVID-19 outbreak; failure of information systems or damage from cyber security attacks; adverse changes in domestic and global economic and political conditions; changes in government regulation and taxation; national, provincial and international laws, regulations and policies regarding climate change that further limit the emissions of greenhouse gases or increase the costs of operations for IOC or its customers; changes affecting IOC’s customers; competition from other iron ore producers; renewal of mining licenses and leases; relationships with indigenous groups; litigation; and uncertainty in the estimates of reserves and resources. A discussion of these factors is contained in LIORC’s annual information form dated March 7, 2023 under the heading, “Risk Factors”. Although the forward-looking statements contained in this presentation are based upon what management of LIORC believes are reasonable assumptions, LIORC cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this presentation and LIORC assumes no obligation, except as required by law, to update any forward-looking statements to reflect new events or circumstances. This presentation should be viewed in conjunction with LIORC’s other publicly available filings, copies of which can be obtained electronically on SEDAR at www.sedar.com.

LIORC FINANCIAL HIGHLIGHTS

	First Quarter		Fiscal Year	
	2023	2022	2022	2021
	(\$ in millions except per share information)			
Revenue	47.2	54.2	232.9	279.7
Net Income	43.6	63.2	265.4	379.8
Adjusted Cash Flow from Operations ⁽¹⁾	26.1	29.8	197.8 ⁽²⁾	382.6 ⁽³⁾
Net Income per Share	\$0.68	\$0.99	\$4.15	\$5.93
Adjusted Cash Flow from Operations per Share ⁽¹⁾	\$0.41	\$0.47	\$3.09 ⁽²⁾	\$5.98 ⁽³⁾

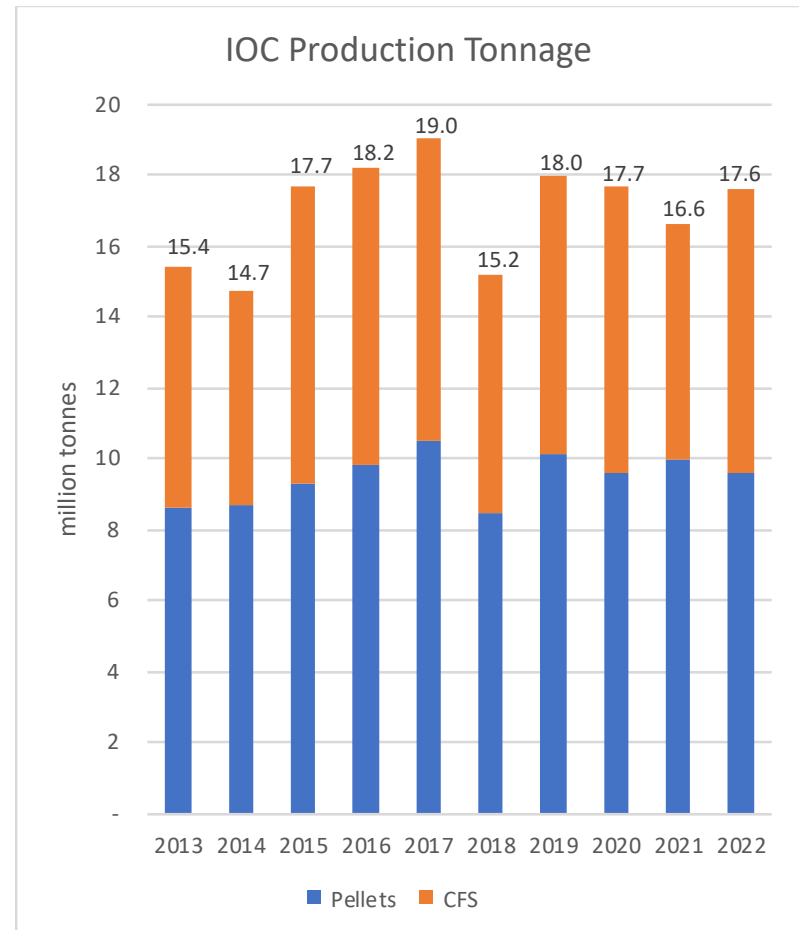
(1) Adjusted cash flow equals cash flow from operating activities, as adjusted for changes in amounts receivable, accounts payable and income taxes recoverable and payable.

(2) Includes IOC dividends totaling \$69.1 million or \$1.08 per share.

(3) Includes IOC dividends totaling \$227.8 million or \$3.56 per share.

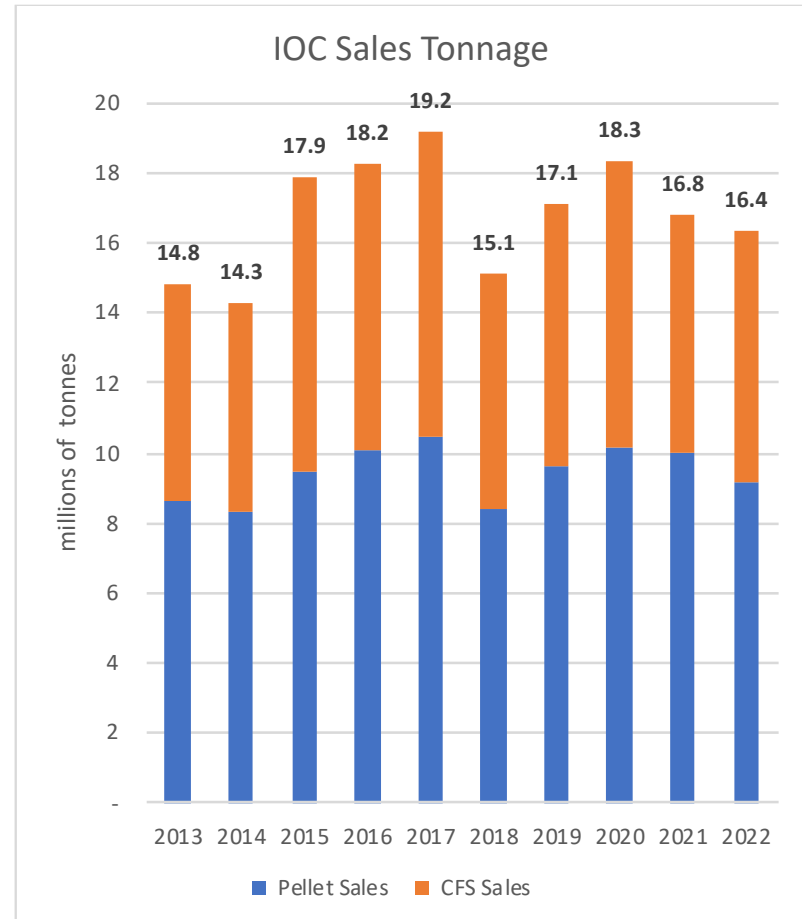
IOC PRODUCTION

- IOC produced 17.6 million tonnes of pellets and CFS in 2022, up 6% from 2021.
- Despite the increase, production was negatively impacted by a number of issues throughout the year, including equipment availability at the loadout and equipment reliability issues at the pellet plant.
- Q1, 2023 saleable production was 4.3 million tonnes, up 5% from Q1, 2022. Production in the quarter was negatively impacted by a number of issues, including an adverse weather event in February.



IOC SALES

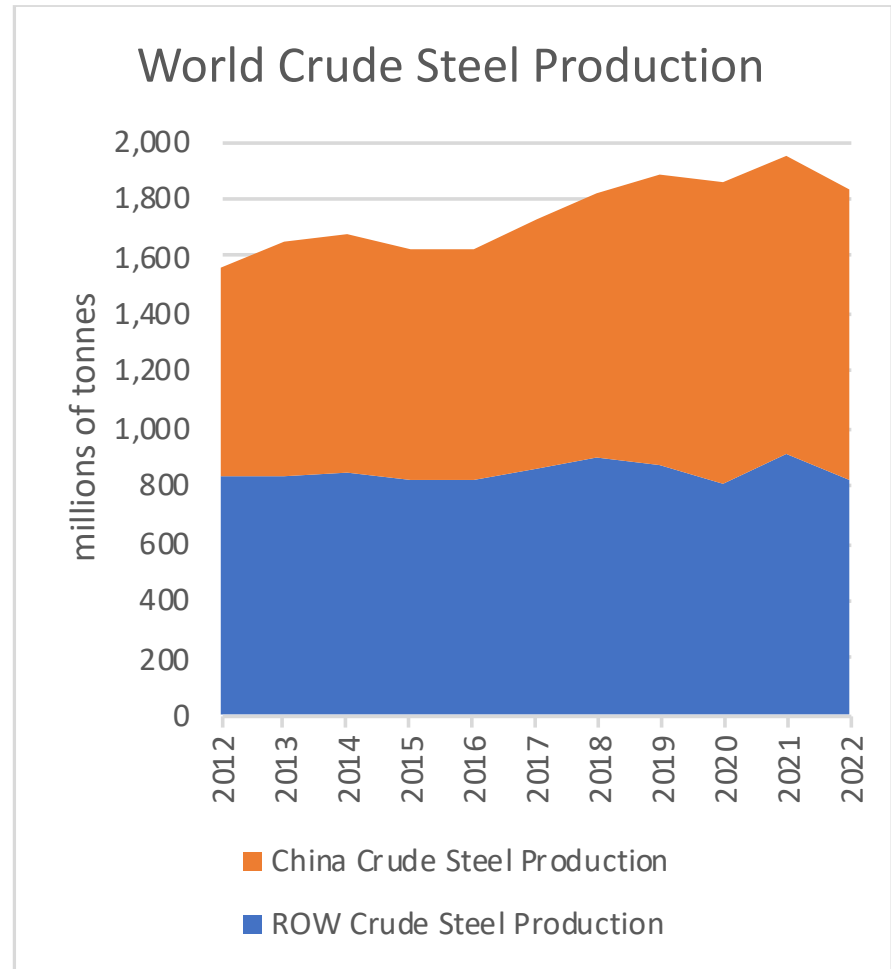
- IOC sold 16.4 million tonnes of CFS and pellets in 2022, down 3% from 2021.
- IOC sold 1.2 million tonnes less product than it produced in 2022. Sales were lower due to inventory availability, and a significant weather event in December that affected the timing of sales in the fourth quarter.
- Q1, 2023 sales were 3.7 million tonnes, up 2% from Q1, 2022.
- In the quarter, IOC sales were also lower than production, as sales were negatively affected by vessel arrival delays due to weather, maintenance overruns, and equipment reliability issues.



Note: IOC Sales for purposes of calculating the royalty to LIORC

GLOBAL STEEL MARKETS

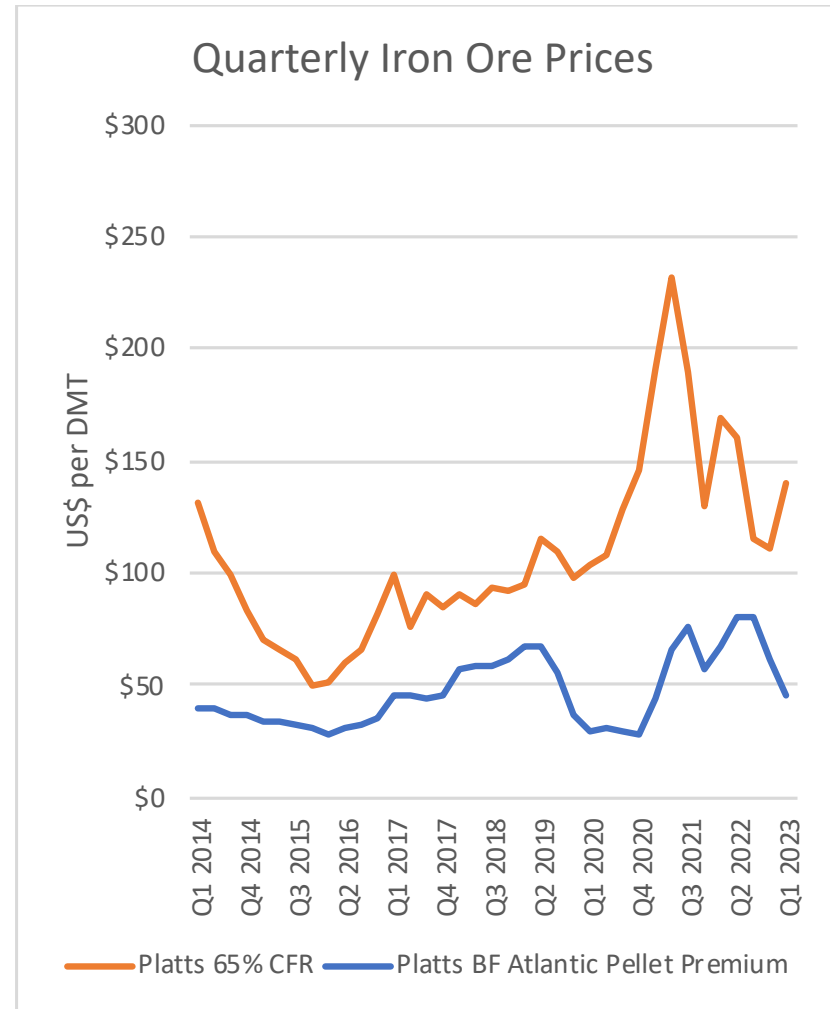
- Over the last 10 years, global steel production has grown at a rate of 1.7% per year. Steel production in China, which has grown at a rate of 3.4% per year, represents all of this growth.
- In 2022, global steel production dropped by 5%, as higher inflation and global recessionary concerns reduced the demand for steel. Steel production was also negatively impacted by China's strict policy of COVID-19 lockdowns and concerns about China's property construction sector.
- In Q1, 2023 crude steel production was flat compared to the same quarter of 2022. China production was 6% higher and ROW production was down 7%.



Source: World Steel Association

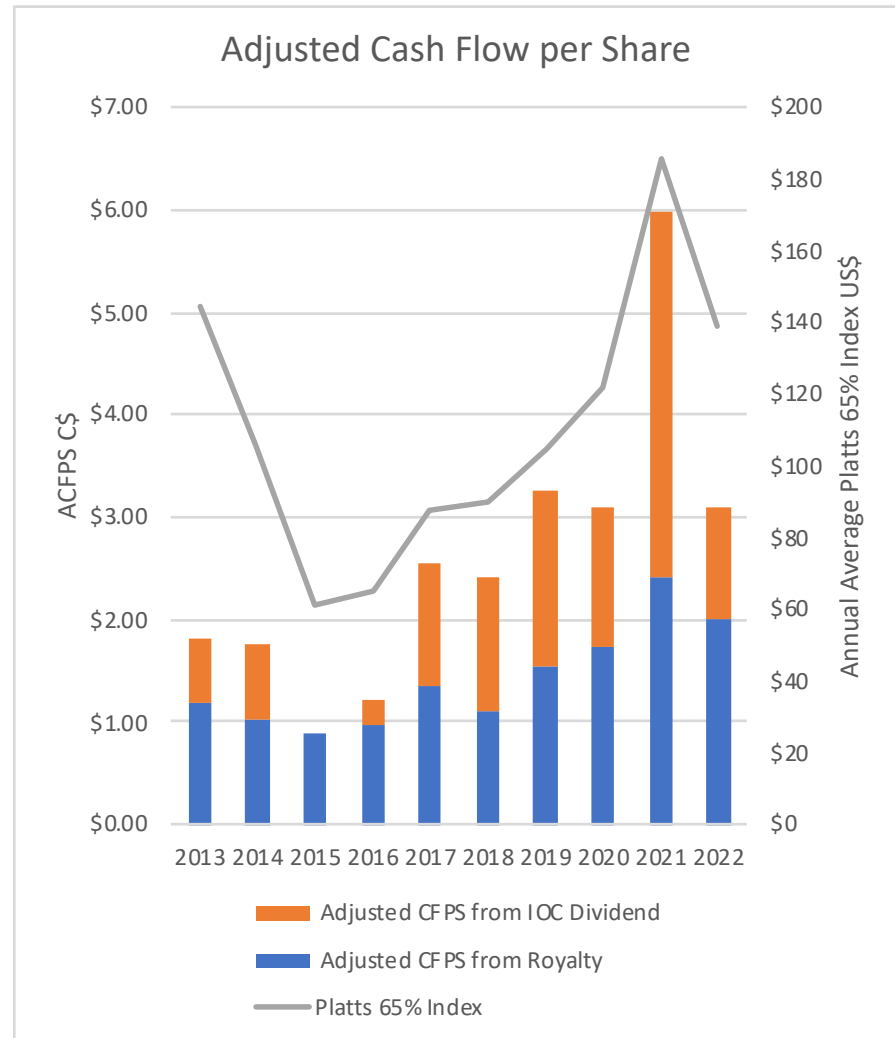
IRON ORE PRICES

- As a result of the lower demand for steel, iron ore prices in 2022 declined from the record prices experienced in 2021.
- In 2022, the Platts 65% Fe Index averaged US\$139 per tonne, as compared to US\$185 per tonne in 2021 and US\$122 per tonne in 2020.
- In Q1, 2023 the Platts 65% Fe Index averaged US\$140 per tonne.
- In 2022, the Platts Pellet Premium for Atlantic Basin BF Pellets averaged US\$72 per tonne, up from US\$60 per tonne in 2021 and US\$29 per tonne in 2020.
- In Q1, 2023 the pellet premium decreased to an average of US\$46 per tonne, as lower steel margins have caused some producers to use cheaper lower quality iron ore inputs.



LIORC CASH FLOW

- Lower iron ore prices in 2022 resulted in adjusted cash flow of \$3.09 per share.
 - Adjusted cash flow from the royalty was \$2.01 per share.
 - Adjusted cash flow from IOC dividends of \$1.08 per share, was lower than expected as IOC reduced payouts due to increased market and operational uncertainty at the end of the year.
- Q1, 2023 adjusted cash flow was \$0.41 per share, as compared to \$0.47 per share in Q1, 2022 (for both, all from the royalty).



Note: Adjusted Cash Fow from Royalty means total Adjusted Cash Flow less IOC Dividend Received

OUTLOOK

- IOC's production guidance for 2023 is 17.9 to 19.6 million tonnes of pellets and CFS. This compares to 2022 production volumes of 17.6 million tonnes. Production volumes in the first quarter of 2023 of 4.3 million tonnes were slightly below expectation.
- IOC's capital expenditures for 2023 are forecasted to be \$534 million, up from \$460 million in 2022 and \$498 million in 2021. While in the shorter term the higher capex spending levels may impact the amount of IOC dividends declared, the improvement to IOC operations will be a long-term benefit to both LIORC's royalty and equity interest in IOC.
- In April 2023, the 1,576 employees at Labrador City and the 374 employees at Sept-Îles who are represented by United Steelworkers ratified new five year collective bargaining agreements, avoiding work interruptions and providing IOC with a motivated, stable workforce.
- There remains uncertainty regarding the outlook for seaborne iron ore. The economic health of the property markets in China remains a significant concern, as China accounts for over 70% of the global seaborne iron ore demand. Also, declines in global steel production due to recessionary concerns may also impact future iron ore prices. Since the end of the first quarter, iron ore prices have continued to trend lower. In April 2023, the average price of the 65% Fe index was US\$131 per tonne, or 7% lower than for the first quarter of 2023. Pellet premiums also remain weak at US\$46 per tonne in May.
- On a positive note, higher inventory levels at IOC and increased working capital at IOC (as a result of lower IOC dividends last year), should provide some positive tail winds with respect to royalty revenues and IOC dividends going forward.



QUESTIONS