LABRADOR IRON ORE
ROYALTY CORPORATION

2023
FIRST QUARTER REPORT

85 YEARS IN LABRADOR WEST

Report To Shareholders

To the Holders of Common Shares of Labrador Iron Ore Royalty Corporation

The Directors of Labrador Iron Ore Royalty Corporation ("LIORC" or the "Corporation") present the first quarter report for the period ended March 31, 2023.

Financial Performance

In the first quarter of 2023, LIORC's financial results were negatively impacted by lower sales of pellets and lower average realized concentrate and pellet prices. Royalty revenue for the first quarter of 2023 of $46.5 million was 13% lower than the first quarter of 2022 due to lower sales tonnages of pellets and lower average realized concentrate and pellet prices and 4% lower than the fourth quarter of 2022 due to lower pellet premiums and lower CFS sales tonnages, partly offset by higher iron ore prices. Equity earnings from Iron Ore Company of Canada ("IOC") were $21.8 million in the first quarter of 2023 compared to $40.4 million in the first quarter of 2022 and $19.7 million in the fourth quarter of 2022. Net income per share for the first quarter of 2023 was $0.68 per share, which was a 31% decrease over the same period in 2022 and a 3% decrease over the fourth quarter of 2022. The adjusted cash flow per share for the first quarter of 2023 was $0.41 per share, which was 13% lower than in the same period in 2022 and 37% lower than the fourth quarter of 2022, as LIORC received a dividend in the amount of $15.4 million from IOC in the fourth quarter of 2022. While adjusted cash flow is not a recognized measure under International Financial Reporting Standards ("IFRS"), the Directors believe that it is a useful analytical measure as it better reflects cash available for dividends to shareholders.

Concerns about the outlook for global steel demand continued to negatively impact iron ore prices in the first quarter of 2023. According to the World Steel Association, global crude steel production was flat in the first quarter of 2023 compared to the first quarter of 2022. Crude steel production in China was 6% higher, offset by crude steel production outside of China, which decreased 7%. Iron ore prices did improve from the lows experienced in the second half of 2022, as China eased its zero COVID-19 policy of strict lockdowns. However, ongoing concerns about China's weakened property sector and global recessionary concerns outside of China offset some of the expected gains.

IOC sells concentrate for sale ("CFS") based on the Platts index for 65% Fe, CFR China ("65% Fe index"). All references to tonnes and per tonne prices in this report refer to wet metric tonnes, other than references to Platts quoted pricing, which refer to dry metric tonnes. Historically, IOC's wet ore contains approximately 3% less ore per equivalent volume than dry ore. In the first quarter of 2023, the 65% Fe index averaged US$140 per tonne, a 26% increase over the prior quarter, but an 18% decrease over the average of US$170 per tonne in the first quarter of 2022. The monthly Atlantic Blast Furnace 65% Fe pellet premium index as quoted by Platts (the "pellet premium") averaged US$46 per tonne in the first quarter of 2023, down substantially from an average of US$67 in the same quarter of 2022, as steel producers in Europe, who have been traditional buyers of iron ore pellets, reduced production, and as lower steel margins caused other producers to substitute higher quality pellets with less expensive lower quality iron ore. Overall, as a result of lower prices and a change in the product mix (higher CFS sales and lower pellet sales), based on sales as reported for the LIORC royalty, the average price realized by IOC for CFS and pellets, FOB Sept-Îles, was approximately US$136 per tonne in the first quarter of 2023, compared to approximately US$173 per tonne in the first quarter of 2022.

Iron Ore Company of Canada Operations

Operations

IOC concentrate production in the first quarter of 2023 of 4.6 million tonnes was 6% higher than the same quarter of 2022, and 3% lower than the fourth quarter of 2022. Concentrate production in the first quarter of 2023 was negatively affected in February by an adverse weather event, frozen material in the mine, ore delivery system reliability and Mill 13 feeder repairs. IOC saleable production (CFS plus pellets) of 4.3 million tonnes in the first quarter of 2023 was 5% higher than the same quarter of 2022. Pellet production of 2.2 million tonnes was 11% lower than the corresponding quarter in 2022, mainly due a lack of feed at certain times from the concentrator (driven by the adverse weather event) and plant reliability due to issues in the loadout/screenhouse and filtering and balling. CFS production of 2.1 million tonnes was 29% higher than the same quarter of 2022 mainly due to the lower production of pellets.

Sales as Reported for the LIORC Royalty

Total iron ore sales tonnage by IOC (CFS plus pellets) of 3.7 million tonnes in the first quarter of 2023 was 2% higher than the total sales tonnage for the same period in 2022, and 8% lower than the fourth quarter of 2022. IOC sales tonnage was negatively affected by inventory availability, vessel arrival delays due to weather, maintenance overruns, and equipment reliability issues. Pellet sales tonnages were 19% lower than the same quarter of 2022 and 1% higher than the fourth quarter of 2022. CFS sales tonnages were 47% higher than the same quarter of 2022 and 16% lower than the fourth quarter of 2022.

Outlook

Rio Tinto's 2023 guidance for IOC's saleable production (CFS plus pellets) remains at 17.9 million to 19.6 million tonnes. This compares to 17.6 million tonnes of saleable production in 2022. IOC continues to focus on upgrading its capital assets through increased capital expenditures. As reported in the 2022 Annual Report, IOC's capital expenditures for 2023 are forecasted to be $534 million, up from $460 million in 2022 and $498 million in 2021. These capital expenditure initiatives will benefit LIORC as both an equity holder and a royalty holder.

IOC's hourly employees are represented by three unions. At December 31, 2022, the United Steelworkers ("USW") represented approximately 1,576 employees at Labrador City and 374 at Sept-Îles, the United Transportation Union ("UTU") represented approximately 102 employees mostly based at Sept-Îles and the Marine Guild represented 4 employees at Sept-Îles. A five year collective agreement with the USW came into effect as of March 1, 2018 and was in effect until February 28, 2023. Negotiations began in November 2022 and in April 2023 the USW employees ratified new five year collective bargaining agreements, avoiding any work interruptions and providing IOC with a motivated, stable workforce. The agreement with the UTU came into effect on March 1, 2019 and will remain in effect until February 29, 2024. The agreement with the Marine Guild came into effect on September 1, 2019 and will remain in effect until August 31, 2024.

There remains some 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 the average of the 65% Fe index for the first quarter of 2023. However, current prices are still materially higher than iron ore prices experienced in the second half of 2022, and LIORC remains well positioned to continue to benefit from royalty revenues and expected future dividends from IOC in the current iron ore pricing environment.

LIORC has no debt and at March 31, 2023 had positive net working capital (current assets less current liabilities) of $23 million, which included the first quarter net royalty payment received from IOC on April 25, 2023 and the LIORC dividend in the amount of $0.50 per share paid to shareholders on the next day.

Respectfully submitted on behalf of the Directors of the Corporation,

John F. Tuer
President and Chief Executive Officer
May 4, 2023

Management's Discussion and Analysis

The following discussion and analysis should be read in conjunction with the Management's Discussion and Analysis section of Labrador Iron Ore Royalty Corporation's ("LIORC" or the "Corporation") 2022 Annual Report, and the financial statements and notes contained therein and the March 31, 2023 interim condensed consolidated financial statements.

Overview of the Business

The Corporation's revenues are entirely dependent on the operations of IOC as its principal assets relate to the operations of IOC and its principal source of revenue is the 7% royalty it receives on all sales of iron ore products by IOC. In addition to the volume of iron ore sold, the Corporation's royalty revenue is affected by the price of iron ore and the Canadian – U.S. dollar exchange rate. The first quarter sales of IOC are traditionally adversely affected by the general winter operating conditions and are usually 15% – 20% of the annual volume, with the balance spread fairly evenly throughout the other three quarters. Because of the size of individual shipments, some quarters may be affected by the timing of the loading of ships that can be delayed from one quarter to the next.

Financial Highlights

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	($ in millions except per share information)	
Revenue	47.2	54.2
Equity earnings from IOC	21.8	40.4
Net income	43.6	63.2
Net income per share	$0.68	$0.99
Cash flow from operations	19.5	4.1
Cash flow from operations per share(1)	$0.30	$0.06
Adjusted cash flow(1)	26.1	29.8
Adjusted cash flow per share(1)	$0.41	$0.47
Dividends declared per share	$0.50	$0.50

(1) This is a non-IFRS financial measure and does not have a standard meaning under IFRS. Please refer to Standardized Cash Flow and Adjusted Cash Flow section in the MD&A.

The lower revenue, net income and equity earnings from IOC achieved in the first quarter of 2023 as compared to 2022 were mainly due to lower iron ore prices and pellet premiums and an adverse change in product mix of sales (less pellets and more CFS). The first quarter of 2023 sales tonnages (CFS plus pellets) were higher by 2%. While CFS sales tonnages were 47% higher than the same quarter in 2022, pellet sales were 19% lower, predominantly due to inventory availability, vessel arrival delays due to weather, maintenance overruns, and equipment reliability issues.

The lower pellets sales tonnages and a decrease in the average realized sales price of pellets and CFS, resulted in royalty income of $46.5 million for the quarter as compared to $53.7 million for the same period in 2022. First quarter 2023 cash flow from operations was $19.5 million or $0.30 per share compared to $4.1 million or $0.06 per share for the same period in 2022. Equity earnings from IOC amounted to $21.8 million or $0.34 per share in the first quarter of 2023 compared to $40.4 million or $0.63 per share for the same period in 2022.

Operating Highlights

IOC Operations	Three Months Ended March 31, 2023	2022
	(in millions of tonnes)	
Sales[1]		
Pellets	1.96	2.43
Concentrate for sale ("CFS")[2]	1.69	1.16
Total[3]	3.65	3.58
Production		
Concentrate produced	4.63	4.39
Saleable production		
Pellets	2.19	2.46
CFS	2.11	1.64
Total[3]	4.30	4.09
Average index prices per tonne (US$)		
65% Fe index[4]	$ 140	$ 170
62% Fe index[5]	$ 126	$ 142
Pellet premium[6]	$ 46	$ 67

(1) For calculating the royalty to LIORC.

(2) Excludes third party ore sales.

(3) Totals may not add up due to rounding.

(4) The Platts index for 65% Fe, CFR China.

(5) The Platts index for 62% Fe, CFR China.

(6) The Platts Atlantic Blast Furnace 65% Fe pellet premium index.

IOC sells CFS based on the 65% Fe index. In the first quarter of 2023, the 65% Fe index averaged US$140 per tonne, an 18% decrease over the average of US$170 per tonne in the first quarter of 2022. Iron ore prices improved from the lows experienced in the second half of 2022, as China eased its zero COVID-19 policy of strict lockdowns. However, ongoing concerns about the China's weakened property sector and global recessionary concerns outside of China offset some of the expected gains. The monthly pellet premium averaged

US$46 per tonne in the first quarter of 2023, down substantially from an average of US$67 in the same quarter of 2022, as steel producers in Europe, who have been traditional buyers of iron ore pellets, reduced production, and as lower steel margins caused other producers to substitute higher quality pellets with less expensive lower quality iron ore.

Based on sales as reported for the LIORC royalty, the overall average price realized by IOC for CFS and pellets, FOB Sept-Îles was approximately US$136 per tonne in the first quarter of 2023 compared to US$173 per tonne in the first quarter of 2022. The decrease in the average realized price FOB Sept-Îles in 2023 was a result of lower CFS prices, lower pellet premiums and a change in the product mix (higher CFS sales and lower pellet sales).

Standardized Cash Flow and Adjusted Cash Flow

For the Corporation, standardized cash flow is the same as cash flow from operating activities as recorded in the Corporation's cash flow statements as the Corporation does not incur capital expenditures or have any restrictions on dividends. Standardized cash flow per share was $0.30 for the quarter (2022 – $0.06).

The Corporation also reports "Adjusted cash flow" which is defined as cash flow from operating activities after adjustments for changes in amounts receivable, accounts payable and income taxes recoverable and payable. It is not a recognized measure under IFRS. The Directors believe that adjusted cash flow is a useful analytical measure as it better reflects cash available for dividends to shareholders.

The following reconciles standardized cash flow from operating activities to adjusted cash flow.

	3 Months Ended Mar. 31, 2023	**3 Months Ended Mar. 31, 2022**
	(in millions except for per share information)	
Standardized cash flow from operating activities	$19.5	$ 4.1
Changes in amounts receivable, accounts payable and income taxes recoverable and payable	6.6	25.7
Adjusted cash flow	$26.1	$29.8
Adjusted cash flow per share	$0.41	$0.47

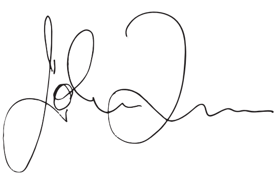
Liquidity and Capital Resources

The Corporation had $14.6 million in cash as at March 31, 2023 (December 31, 2022 – $39.9 million) with total current assets of $65.1 million (December 31, 2022 – $83.0 million). The Corporation had working capital of $23.1 million as at March 31, 2022 (December 31, 2022 – $28.9 million). The Corporation's operating cash flow was $19.5 million and the dividend paid during the quarter was $44.8 million, resulting in cash balances decreasing by $25.3 million during the first quarter of 2023.

Cash balances consist of deposits in Canadian dollars with a Canadian chartered bank. Amounts receivable primarily consist of royalty payments from IOC. Royalty payments are received in U.S. dollars and converted to Canadian dollars on receipt, usually 25 days after the quarter end. The Corporation does not normally attempt to hedge this short-term foreign currency exposure.

Operating cash flow of the Corporation is sourced entirely from IOC through the Corporation's 7% royalty, 10 cents commission per tonne and dividends from its 15.10% equity interest in IOC. The Corporation normally pays cash dividends from the free cash flow generated from IOC to the maximum extent possible, subject to the maintenance of appropriate levels of working capital.

The Corporation has a $30 million revolving credit facility with a term ending September 19, 2025 with provision for annual one-year extensions. No amount is currently drawn under this facility (2022 – nil) leaving $30.0 million available to provide for any capital required by IOC or requirements of the Corporation.



John F. Tuer
President and Chief Executive Officer

Toronto, Ontario
May 4, 2023

Forward-Looking Statements

This report 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 report. 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 report 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 report and LIORC assumes no obligation, except as required by law, to update any forward-looking statements to reflect new events or circumstances. This report 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.

Notice:

The following unaudited interim condensed consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not reviewed these interim financial statements.

Labrador Iron Ore Royalty Corporation
Interim Condensed Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at March 31, 2023	As at December 31, 2022
	(Unaudited)	
Assets		
Current Assets		
Cash	$ 14,590	$ 39,904
Amounts receivable (note 4)	47,640	42,758
Income taxes recoverable	2,830	357
Total Current Assets	65,060	83,019
Non-Current Assets		
Iron Ore Company of Canada ("IOC") royalty and commission interests	227,336	228,918
Investment in IOC (note 5)	535,645	513,828
Total Non-Current Assets	762,981	742,746
Total Assets	$828,041	$825,765
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 9,987	$ 9,286
Dividend payable	32,000	44,800
Total Current Liabilities	41,987	54,086
Non-Current Liabilities		
Deferred income taxes (note 6)	137,030	134,220
Total Liabilities	179,017	188,306
Shareholders' Equity		
Share capital	317,708	317,708
Retained earnings	336,386	324,821
Accumulated other comprehensive loss	(5,070)	(5,070)
	649,024	637,459
Total Liabilities and Shareholders' Equity	$828,041	$825,765

See accompanying notes to interim condensed consolidated financial statements.

Approved by the Directors,

John F. Tuer
Director

Patricia M. Volker
Director

Labrador Iron Ore Royalty Corporation
Interim Condensed Consolidated Statements of Income and Comprehensive Income

(in thousands of Canadian dollars except for per share information)	For the Three months Ended March 31, 2023	2022
	(Unaudited)	
Revenue		
IOC royalties	$46,543	$53,748
IOC commissions	359	353
Interest and other income	312	63
	47,214	54,164
Expenses		
Newfoundland royalty taxes	9,309	10,750
Amortization of royalty and commission interests	1,582	1,305
Administrative expenses	655	884
	11,546	12,939
Income before equity earnings and income taxes	35,668	41,225
Equity earnings in IOC	21,817	40,379
Income before income taxes	57,485	81,604
Provision for income taxes (note 6)		
Current	11,110	12,688
Deferred	2,810	5,670
	13,920	18,358
Net income for the period	43,565	63,246
Comprehensive income for the period	$43,565	$63,246
Basic and diluted income per share	$ 0.68	$ 0.99

See accompanying notes to interim condensed consolidated financial statements.

Labrador Iron Ore Royalty Corporation
Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	For the Three months Ended March 31, 2023	2022
	(Unaudited)	
Net inflow (outflow) of cash related to the following activities		
Operating		
Net income for the period	$ 43,565	$ 63,246
Items not affecting cash:		
Equity earnings in IOC	(21,817)	(40,379)
Current income taxes	11,110	12,688
Deferred income taxes	2,810	5,670
Amortization of royalty and commission interests	1,582	1,305
Change in amounts receivable	(4,882)	(2,954)
Change in accounts payable	701	64
Income taxes paid	(13,583)	(35,500)
Cash flow from operating activities	19,486	4,140
Financing		
Dividend paid to shareholders	(44,800)	(73,600)
Cash flow used in financing activities	(44,800)	(73,600)
Decrease in cash, during the period	(25,314)	(69,460)
Cash, beginning of period	39,904	82,913
Cash, end of period	$ 14,590	$ 13,453

See accompanying notes to interim condensed consolidated financial statements.

Labrador Iron Ore Royalty Corporation
Interim Condensed Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars except share amounts)	**Common shares**	**Share capital**	**Retained earnings**	**Accumulated other comprehensive loss**	**Total**
			(Unaudited)		
Balance as at December 31, 2021	64,000,000	$317,708	$257,772	$(11,420)	$564,060
Net income for the period	—	—	63,246	—	63,246
Dividend declared to shareholders	—	—	(32,000)	—	(32,000)
Balance as at March 31, 2022	64,000,000	$317,708	$289,018	$(11,420)	$595,306
Balance as at December 31, 2022	64,000,000	$317,708	$324,821	$ (5,070)	$637,459
Net income for the period	—	—	43,565	—	43,565
Dividend declared to shareholders	—	—	(32,000)	—	(32,000)
Balance as at March 31, 2023	64,000,000	$317,708	$336,386	$ (5,070)	$649,024

See accompanying notes to interim condensed consolidated financial statements.

(in thousands of Canadian dollars)

1. Corporate Information

Labrador Iron Ore Royalty Corporation (the "Corporation") directly and through its wholly-owned subsidiary, Hollinger Hanna Limited ("Hollinger-Hanna"), holds a 15.10% equity interest in Iron Ore Company of Canada ("IOC"), a 7% gross overriding royalty and a $0.10 per tonne commission interest on all iron ore products produced, sold and shipped by IOC, and certain lease interests and, accordingly, is economically dependent on IOC. The Corporation is listed on the Toronto Stock Exchange under the symbol LIF. The registered office of the Corporation is 235 Water Street, P.O. Box 610, St. John's, Newfoundland and Labrador, A1C 5L3.

Seasonality

The results of operations and operating cash flows of the Corporation vary considerably from quarter to quarter. The operations of the Corporation are dependent on the royalty and commission revenues from IOC, whose production and revenues are not constant throughout the year, being lower during the winter months when the St. Lawrence Seaway is closed. The results reported in these interim condensed consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

2. Basis of Presentation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

These interim condensed consolidated financial statements and management's discussion and analysis were authorized for issuance by the Board of Directors of the Corporation on May 4, 2023.

3. Significant Accounting Policies

These interim condensed consolidated financial statements have been prepared using the same accounting policies as the annual consolidated financial statements for the year ended December 31, 2022. The disclosure in these interim condensed consolidated financial statements does not include all requirements of IAS 1 *Presentation of Financial Statements*. Accordingly, the interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(a) Changes in accounting policy

A number of amendments to existing standards became effective January 1, 2023 but they did not have an effect on the Corporation's financial statements.

(b) New standards and interpretations not yet adopted

A number of amendments to existing standards are not yet effective for the period ended March 31, 2023 and have not been applied in preparing these interim condensed consolidated financial statements. The Corporation does not intend to early adopt any of the amendments and does not expect them to have a material impact on its financial statements.

4. Amounts Receivable

	March 31, 2023	December 31, 2022
IOC royalties	$47,353	$42,482
IOC commissions	136	150
Other	151	126
	$47,640	$42,758

5. Investment in IOC

	March 31, 2023	December 31, 2022
Investment in IOC, beginning of period	$513,828	$421,376
Equity earnings in IOC	21,817	154,103
Other comprehensive income of IOC	—	7,471
Common share dividend received	—	(69,122)
Investment in IOC, end of period	$535,645	$513,828

The excess of cost of the Investment in IOC over the book value of underlying net assets amounts to $38,882 as at March 31, 2023 (December 31, 2022 – $39,152) and is being amortized to net income on the unit-of-production method based on actual production in the current year and estimated production of iron ore over the life of mine at IOC.

6. Income Taxes

The provision for income taxes in the statements of comprehensive income differs from the amount computed by applying the combined Canadian federal and provincial tax rate to the Corporation's income before income taxes. The reasons for the difference and the related tax effects are as follows:

	For the Three Months Ended March 31, 2023	2022
Income before income taxes	$57,485	$81,604
Income taxes at combined federal and provincial statutory tax rates of 30.0%	17,246	24,481
Decrease in income taxes resulting from:		
Undistributed equity earnings in investment in IOC	(3,273)	(6,057)
Equity earnings distributed as dividends	—	—
Other	(53)	(66)
Income tax expense	$13,920	$18,358

The deferred tax liability is comprised of the following:

	Opening Balance	Recognized in net income	Recognized in other comprehensive income	Closing Balance
December 31, 2022				
Difference in tax and book value of assets	$122,689	$10,816	$1,121	$134,626
Tax benefit of deductible temporary differences	(449)	43	—	(406)
Net deferred income tax liability	$122,240	$10,859	$1,121	$134,220
March 31, 2023				
Difference in tax and book value of assets	$134,626	$ 2,802	$ —	$137,428
Tax benefit of deductible temporary differences	(406)	8	—	(398)
Net deferred income tax liability	$134,220	$ 2,810	$ —	$137,030

7. Key Management Personnel Compensation

Key management personnel are the President and Chief Executive Officer, the Executive Vice President, the Chief Financial Officer, the Secretary and directors. Their remuneration for the three months ended March 31, 2023 was comprised of salaries, Restricted Share Units ("RSUs"), and fees totaling $290 (2022 – $441).

8. Share-based payments

On March 15, 2018, the Corporation adopted a restricted share unit plan ("Plan") for its employees that uses notional units that are valued based on the Corporation's common share price on the Toronto Stock Exchange. The RSUs accumulate dividend equivalents in the form of additional units based on the dividends paid on the Corporation's common shares. The Plan is settled in cash and, as a result, is classified as a liability. Fluctuations in the Corporation's share price change the value of the RSUs, which affects the Corporation's compensation expense.

As at March 31, 2023, there were 11,034 (December 31, 2022 – 13,844) RSUs awarded and outstanding. For the three month period ended March 31, 2023, compensation expense of approximately $28 (2022 – $188) was accrued in connection with the RSUs.

Corporate Information

Administration and Investor Relations

PO Box 957, STN Adelaide
Toronto, Ontario
M5C 2K3
Telephone: (416) 362-0066

Directors

William H. McNeil(1)
Company Director

Mark J. Fuller(2)(3)
President and CEO of
Ontario Pension Board

Douglas F. McCutcheon(2)
President of
Longview Asset Management Ltd

Dorothea E. Mell(2)
Company Director

Sandra L. Rosch
Executive Vice President
Labrador Iron Ore Royalty Corporation

John F. Tuer
President and Chief Executive Officer
Labrador Iron Ore Royalty Corporation

Patricia M. Volker(2)
Company Director

Officers

John F. Tuer
President and Chief Executive Officer

Sandra L. Rosch
Executive Vice President

Alan R. Thomas
Chief Financial Officer

Robert O. Hansen
Secretary

(1) *Chair of the Board*

(2) *Member of Audit and Governance and Human Resources Committees*

(3) *Lead Director*

Registrar & Transfer Agent

Computershare Investor Services Inc.
100 University Avenue
Toronto, Ontario
M5J 2Y1

Legal Counsel

McCarthy Tétrault LLP
Toronto, Ontario

Auditors

KPMG LLP
Toronto, Ontario

Stock Exchange Listing

The Toronto Stock Exchange

Symbol

LIF

Website

www.labradorironore.com

E-mail

investor.relations@labradorironore.com

**Labrador Iron Ore
Royalty Corporation**

PO Box 957, STN Adelaide
Toronto, ON
M5C 2K3
Telephone (416) 362-0066