



# **LABRADOR IRON ORE ROYALTY CORPORATION**

## **INVESTOR PRESENTATION**

**JANUARY 29, 2026**

# NOTICE TO READER

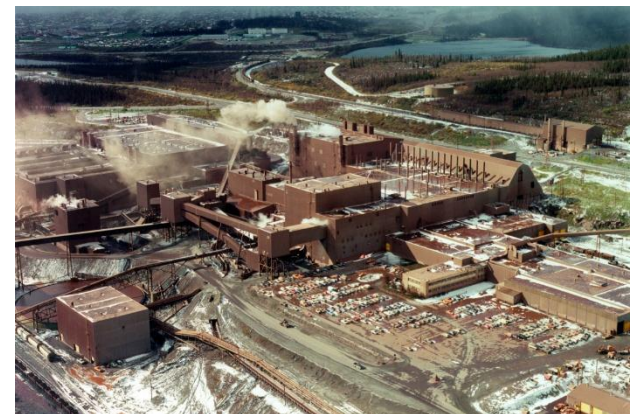
**All dollar figures are stated in Canadian ("CDN") dollars unless noted otherwise.**

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 11, 2025 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.sedarplus.ca](http://www.sedarplus.ca).

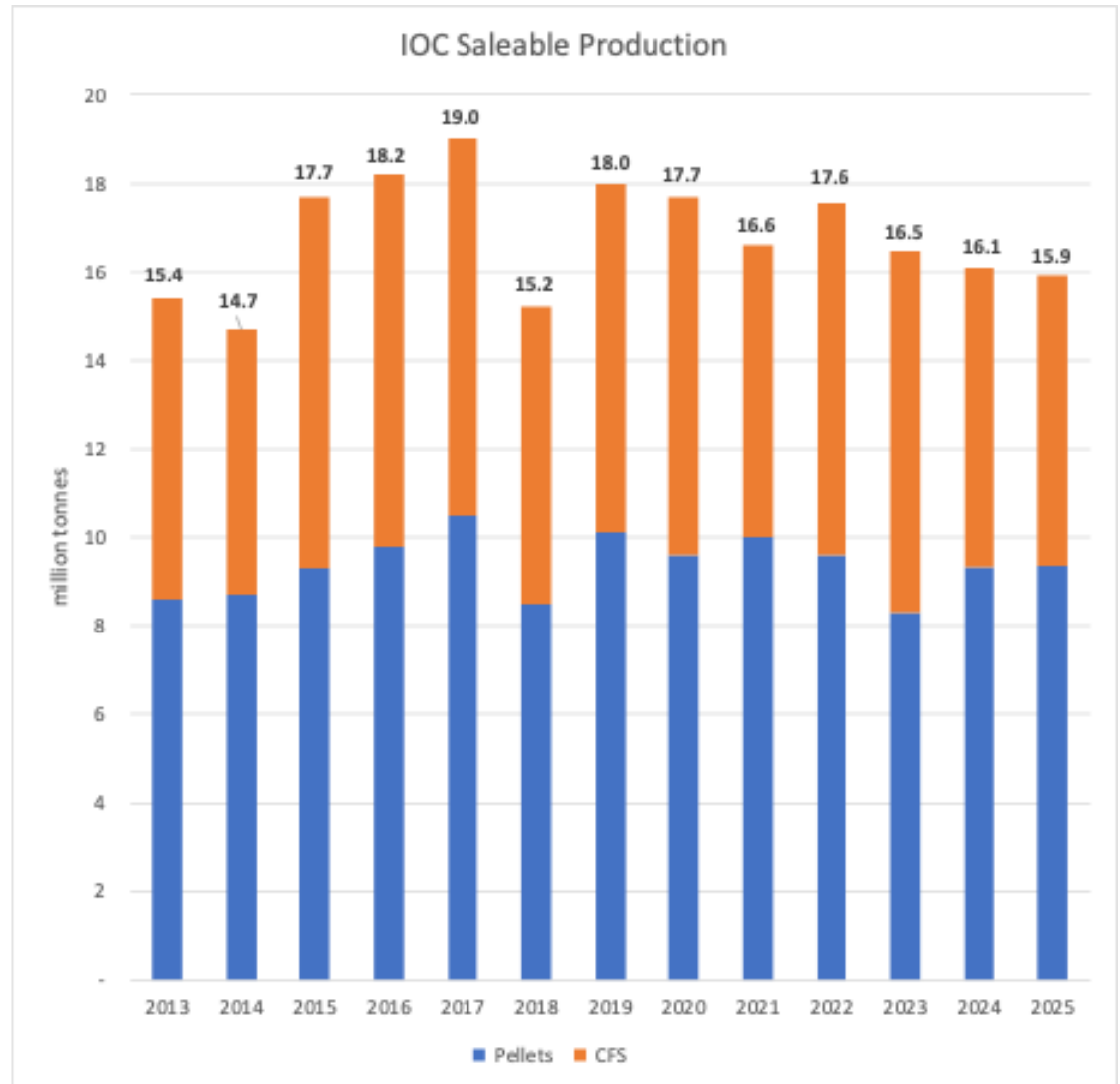
# LIORC OVERVIEW

- LIORC has a unique ownership interest in Iron Ore Company of Canada (IOC).
  - 15.1% equity in IOC
  - 7% top line royalty in IOC
  - 10¢ per tonne commission on all IOC sales
- IOC is a leading producer of premium iron ore pellets and high-grade concentrate.
  - Large, high-quality resource with a long mine life (966 million tonnes of reserves, representing approximately 20 years of production, with another 1.49 billion tonnes of measured, indicated and inferred resources).
  - Significant infrastructure including concentrator, pellet plant, and wholly owned 418 km railway and port facilities.
  - Competitive operating costs (over 63 years without a shut down due to market conditions).
  - Market leading operator – Rio Tinto.



# IOC SALEABLE PRODUCTION

- Total IOC saleable production for 2025 was 15.9M tonnes, compared to 16.1M tonnes in 2024.
- This continues to be well short of nameplate capacity of 23M tonnes of concentrate and 12.5M tonnes of pellets.
- Lower than expectation due to pit health and mine equipment reliability challenges which resulted in reduced ore feed to the concentrator.
- 2026 guidance of 15-18M tonnes.



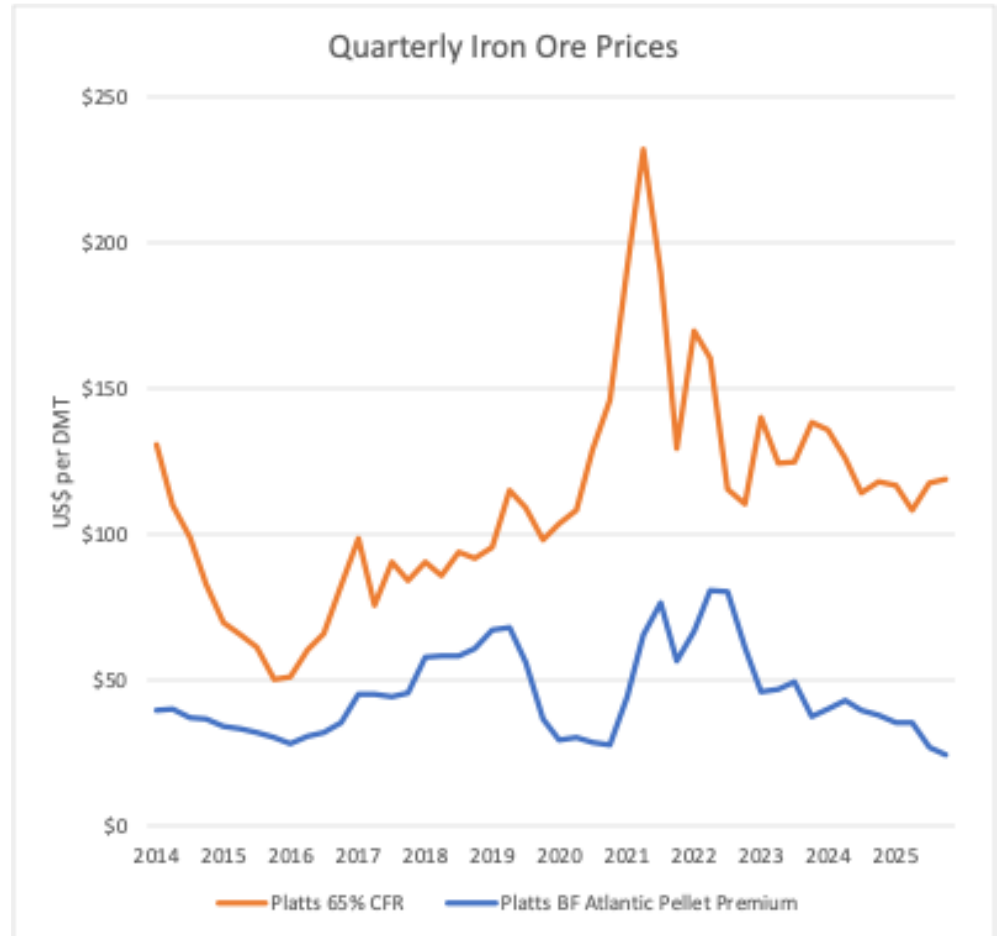


# FOCUS ON IMPROVING OPERATIONS

- Rio Tinto, as operator, recognizes that IOC is currently facing substantial challenges with pit health and asset reliability.
- Rio Tinto has made significant changes to improve the operating performance of IOC.
  - Increased integration with Rio Tinto's global iron ore operations – leveraging the expertise from the Pilbara.
  - Change in corporate leadership structure - reporting now as part of iron ore operations (previously a stand-alone segment within Rio Tinto's Mineral Division).
  - Senior IOC management now comprise career Rio Tinto employees with extensive operational experience.
- Recognition that multi-year improvements are required before nameplate capacity is a realistic goal.

# IRON ORE PRICES

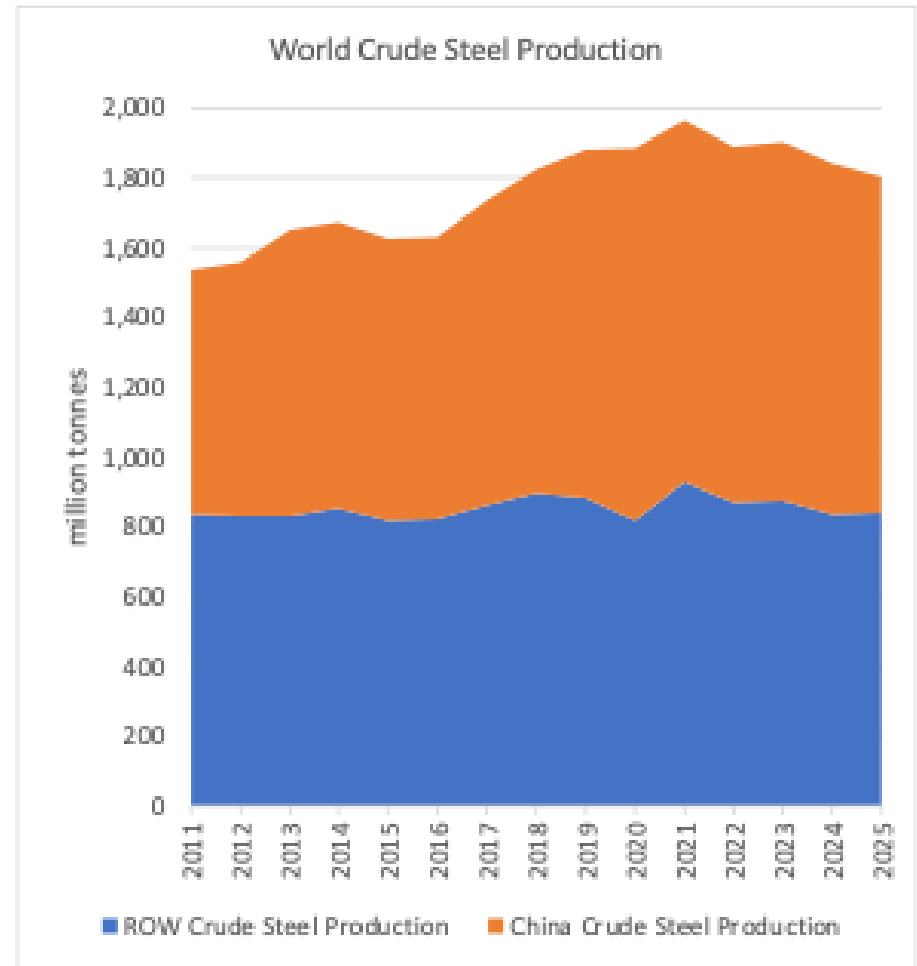
- In 2025, the Platts 65% Index averaged US\$115 per tonne, down from US\$123 per tonne in 2024 and US\$132 per tonne in 2023, as a result of lower steel demand.
- In 2025, the Platts Atlantic Blast Furnace Pellet Premiums averaged US\$30 per tonne, down from US\$40 per tonne in 2024 and US\$45 per tonne in 2023, as lower steel margins have caused some producers to use cheaper, lower quality iron ore inputs.



Source: S&P Global Platts

# GLOBAL STEEL MARKETS

- Growth in global steel production has come predominantly from China. (4.7% CAGR from 2001 to 2021). Steel production from the rest of the world has been flat to negative in recent times.
- However, China steel production has declined since 2021 (-1.8% CAGR from 2021 to 2025) predominantly due to ongoing concerns about China's property construction sector.
- In 2025, global crude steel production dropped by -2%, and China crude steel production dropped by -4.2%.
- The World Steel Association is forecasting a modest 1.3% rebound in global steel demand for 2026, driven by growth from India and other emerging economies.



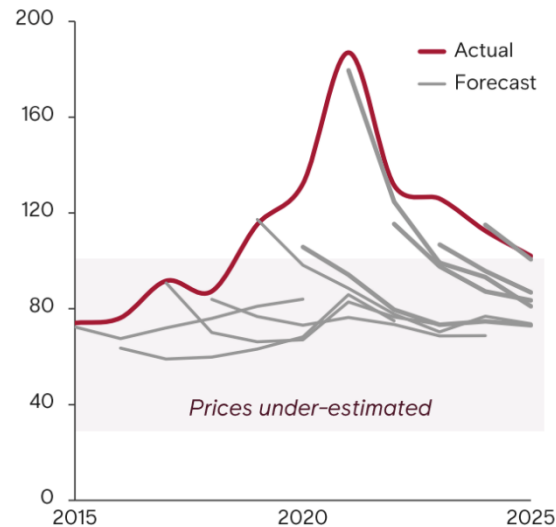
Note: 2025 represents TTM ending November 2025  
Source: World Steel Association

# IRON ORE SUPPLY FUNDAMENTALS

- At its Capital Markets Day in December, Rio Tinto highlighted:
- Iron ore price forecasts are consistently underestimated due to:
  - Disruptions
  - Depletions
  - Declining ore grades
  - Under-performance in scrap
  - Resilient Chinese demand
- A steep cost curve indicates a structurally tight market.

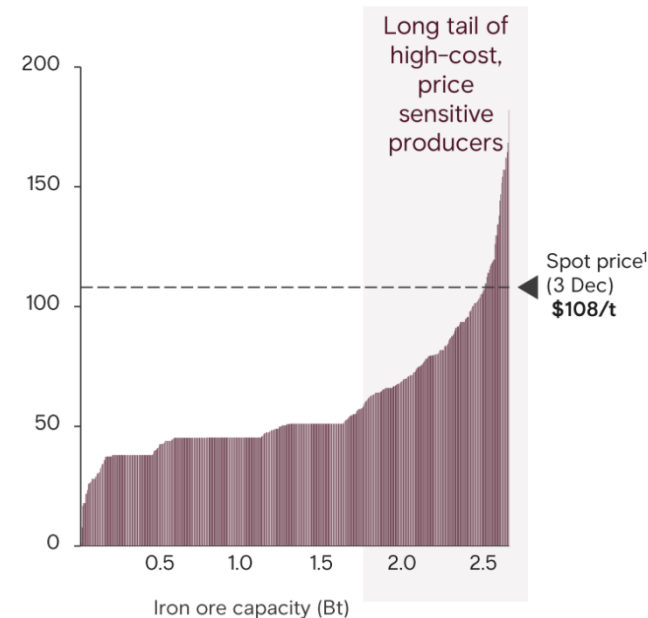
## Prices consistently outperformed forecasts

Consensus forecasts vs actual iron ore price  
\$/t CFR WA, 62% basis



## Attractive industry structure with a steep fourth quartile cost curve

2025 global iron ore cost curve  
62% Fe fines equivalent basis



1. Platts 62% CFR China, \$/dmt. Source: Rio Tinto Economics Conviction Scenario, Consensus

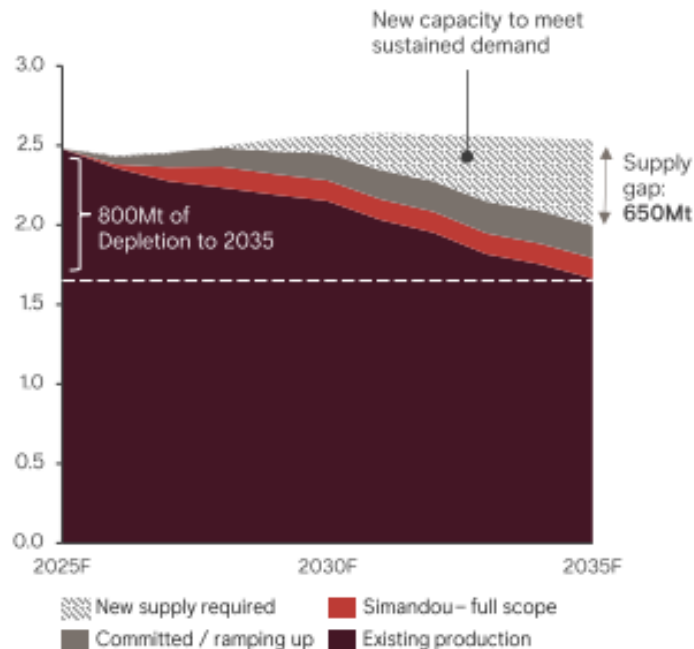


# IRON ORE SUPPLY FUNDAMENTALS

- At its Capital Markets Day in December, Rio Tinto outlined the need for new new iron ore supply.
- ~650Mt uncommitted capacity required to address depletion and meet demand by 2035.
- More than half of depletion occurs outside majors<sup>3</sup>.
- Longer approvals timeframes.

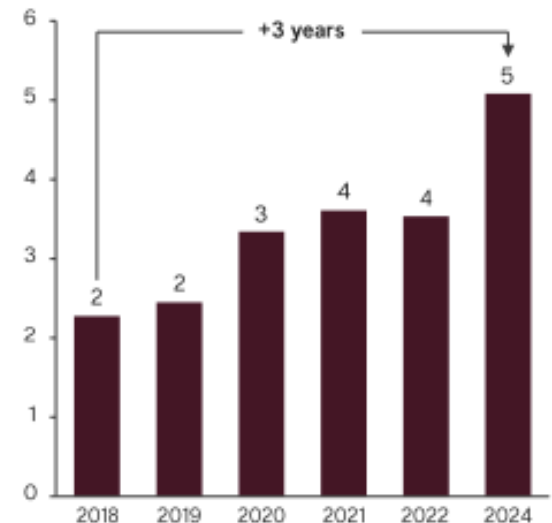
## Emerging supply gap to be filled

Global iron ore supply<sup>1</sup>, Bt



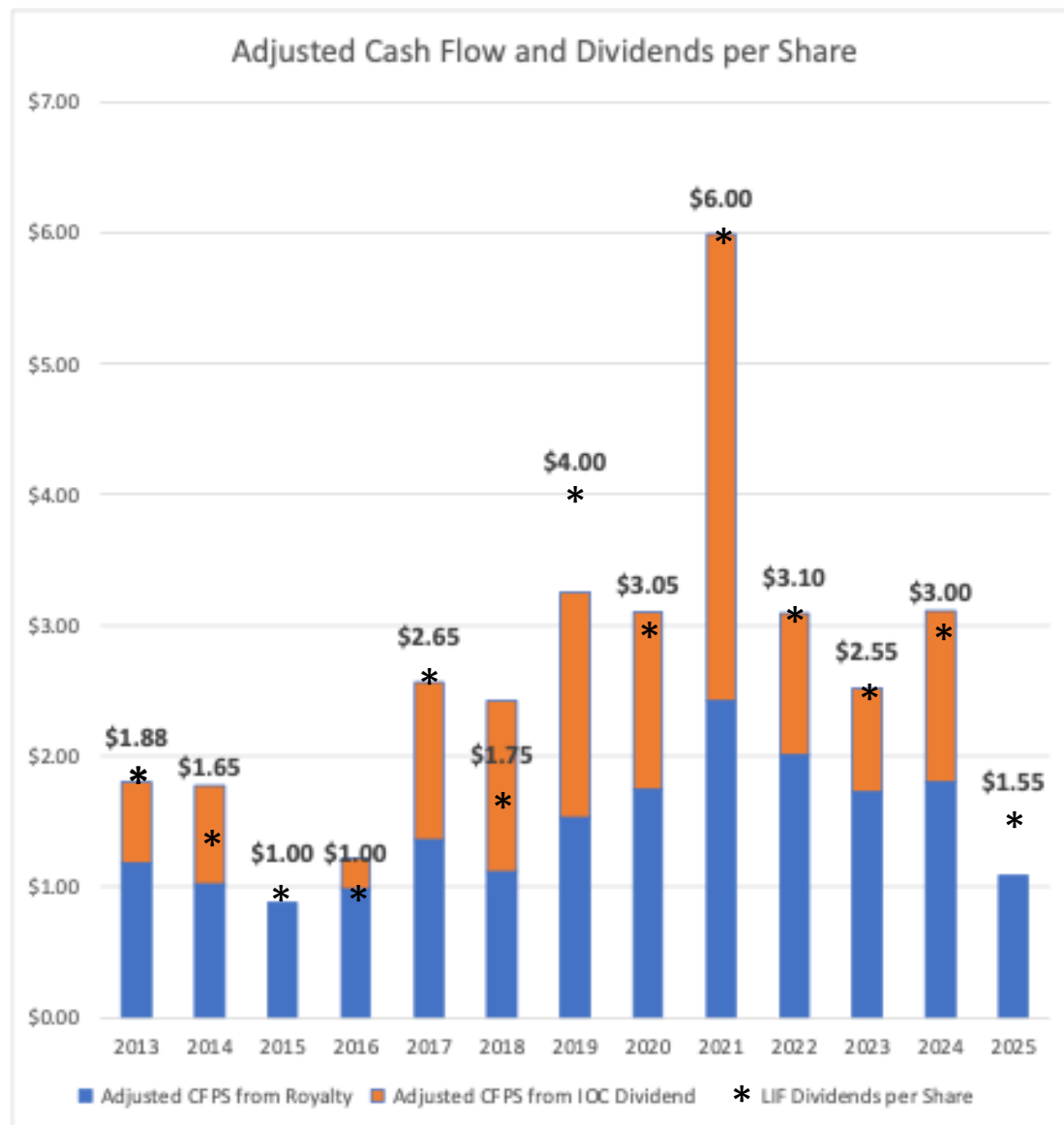
## Approvals are taking longer

Average Western Australia environmental approval timeframes<sup>2</sup> (years)



# LIORC HISTORICAL DIVIDENDS AND CASH FLOW

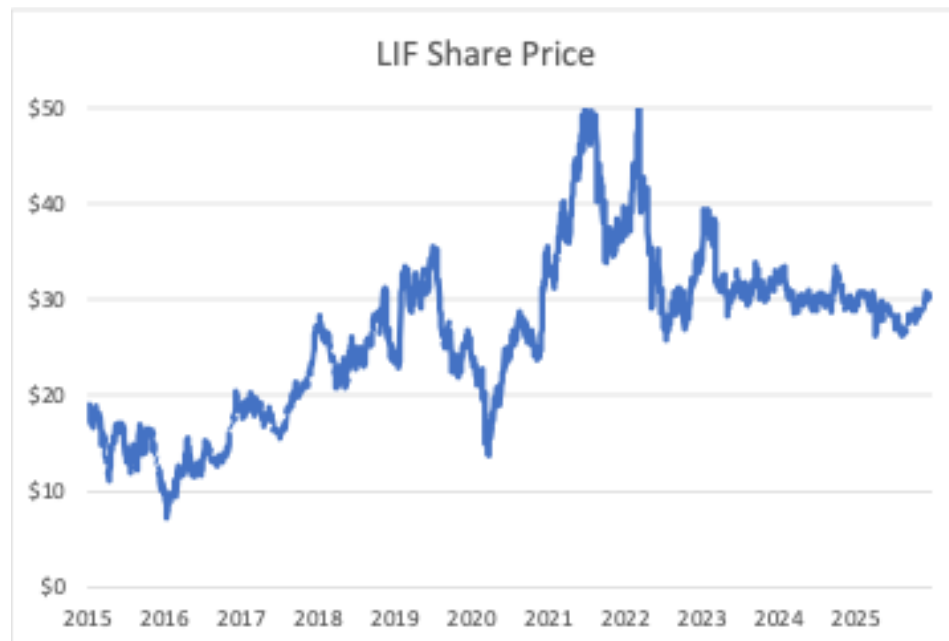
- LIORC has traditionally paid out all free cash flow it generates to its shareholders in the form of quarterly dividends.
  - Average of \$2.87/share per year over the last 10 years.
- In 2025, lower iron ore prices and lower production volumes resulted in IOC not declaring a dividend.
- As a result, all of the \$1.55 LIORC dividend was generated from its royalty interest.



Note: 2025 Adjusted CFPS from Royalty excludes unreported cashflow from Q4

# LIORC SHAREHOLDER RETURNS

- Dividend yield mitigates share price volatility, which has produced strong total returns for shareholders over the longer-term.
- In 2025, LIORC declared \$1.55 per share of dividends – a 5.3% yield based on the trading price at the beginning of 2025.
- LIORC has performed well relative to both the TSX Global Mining Index and the S&P/TSX Composite Index over the longer-term.



## Average Annualized Returns (1)

	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
<b>Labrador Iron Ore Royalty Corporation</b>	<b>9.1%</b>	<b>3.7%</b>	<b>8.3%</b>	<b>23.9%</b>
TSX Global Mining Index (TR) (2)	86.4%	28.0%	19.9%	20.5%
S&P TSX Composite Index (TR) (2)	31.7%	21.3%	16.1%	12.9%

(1) For periods ending December 31, 2025

(2) As indicated on spglobal.com

# LIORC INVESTMENT RATIONALE

- Attractive dividend yield.
- Returns supported by IOC, which is a high-grade (>65% Fe), low-impurity, long-life asset in a stable jurisdiction.
- Royalty structure limits operational and capex risk, while benefiting from any production growth.
- Upside potential from future increased production.
  - Supported by significant capital expenditures recently (close to US\$1.5 billion spent in the last 4 years).
- Additional IOC rail revenues from increased QSNL third-party iron ore haulage.
- IOC's high quality, DR pellets are a key input for growing DRI-EAF steel making.
- Debt-free balance sheet at both LIORC and IOC.
  - LIORC's net working capital position was +\$27 million as at September 30, 2025.