



LABRADOR IRON ORE ROYALTY CORPORATION

ANNUAL GENERAL MEETING

MAY 16, 2024

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 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 12, 2024 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.

LIORC FINANCIAL HIGHLIGHTS

	First Quarter		Fiscal Year	
	2024	2023	2023	2022
	(\$ in millions except per share information)			
Revenue	56.7	47.2	201.3	232.9
Net Income	59.3	43.6	186.3	265.4
Adjusted Cash Flow from Operations ⁽¹⁾	31.3	26.1	161.5 ⁽²⁾	197.8 ⁽³⁾
Net Income per Share	\$0.93	\$0.68	\$2.91	\$4.15
Adjusted Cash Flow from Operations per Share ⁽¹⁾	\$0.49	\$0.41	\$2.52 ⁽²⁾	\$3.09 ⁽³⁾

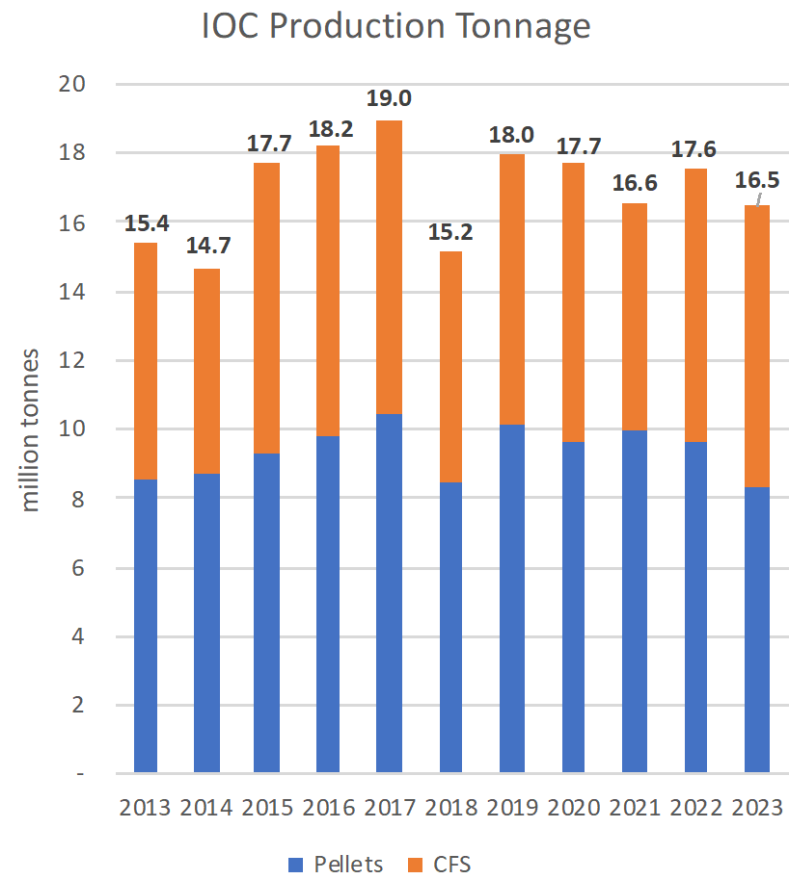
(1) Adjusted cash flow equals cash flow from operating activities, as adjusted for changes in amounts receivable, accounts payable and income taxes recoverable and payable.

(2) Includes IOC dividends totaling \$50.4 million or \$0.79 per share.

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

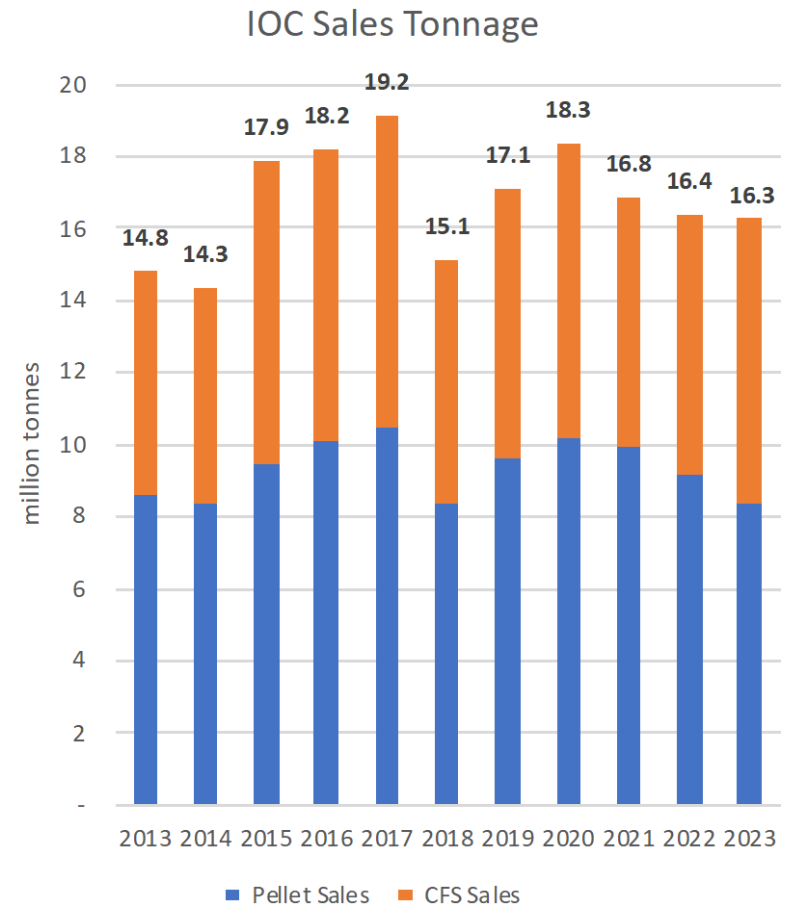
IOC PRODUCTION

- IOC produced 16.5 million tonnes of pellets and CFS in 2023, down 6% from 2022.
- The decrease in production was due to extended plant downtime in the second and third quarters as a result of equipment failures and forest fires in the region.
- Q1, 2024 saleable production was 4.4 million tonnes, up 3% from Q1, 2023. Production in the quarter benefited from a lower strip ratio as a result of changes in the mining sequence, which resulted in an increase in the amount of crushed ore that was delivered to the concentrator.



IOC SALES

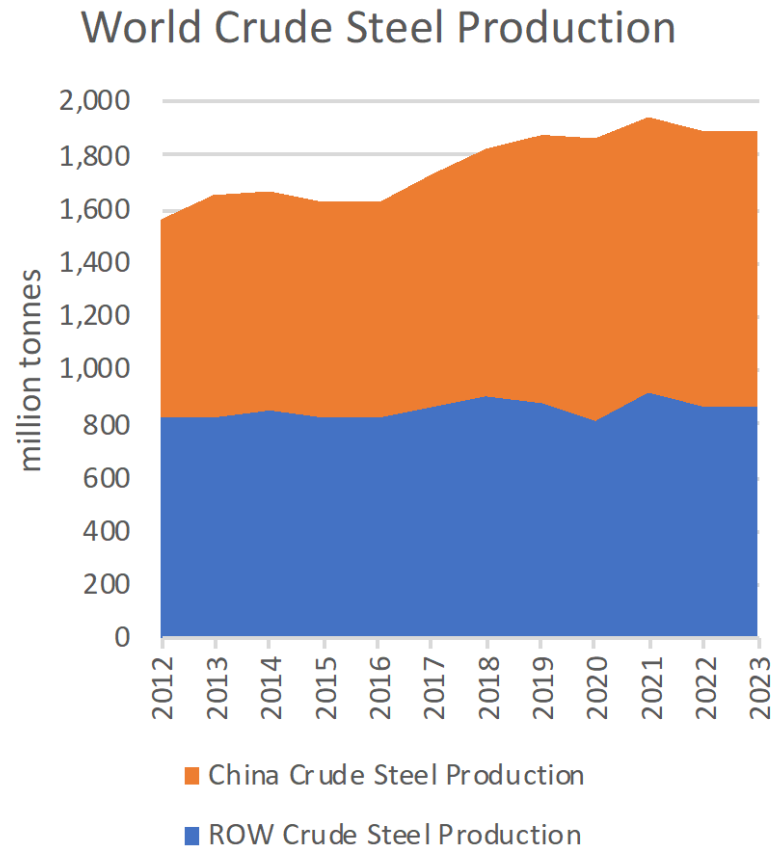
- IOC sold 16.3 million tonnes of CFS and pellets in 2023, down 1% from 2022.
- IOC sales were negatively impacted in both 2022 and 2023 by inventory availability issues at the port.
- Q1, 2024 sales were 4.4 million tonnes, up 20% from Q1, 2023. The increase in IOC sales tonnage was largely a result of improved availability of inventory and timing of vessels.



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

GLOBAL STEEL MARKETS

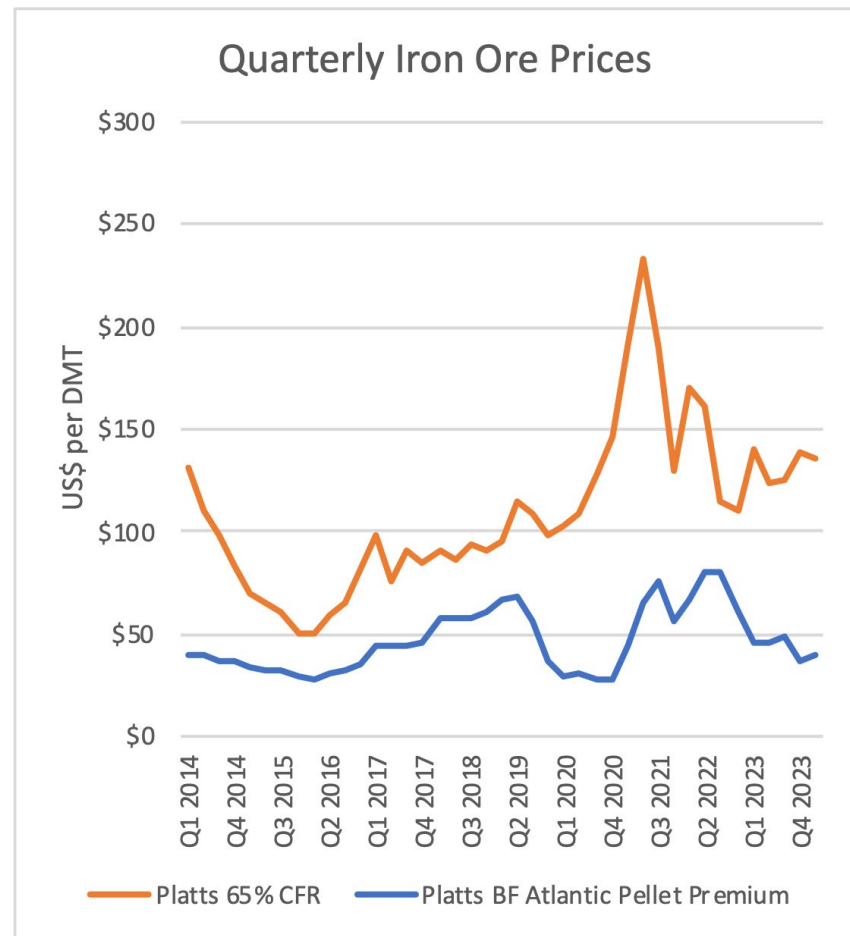
- From 2011 to 2019, global steel production grew at a rate of 2.5% per year, mainly due to the 4.5% per year growth of steel production in China.
- Since 2019, global steel production has been relatively flat, both in China and the rest of the world. While there was some variance in demand levels in 2020 and 2021 due to the impact of the pandemic, levels have since normalized as concerns regarding China's troubled property sector have muted the growth of steel demand in China.
- In Q1, 2024 global steel production was up 1% compared to the same quarter of 2023.



Source: World Steel Association

IRON ORE PRICES

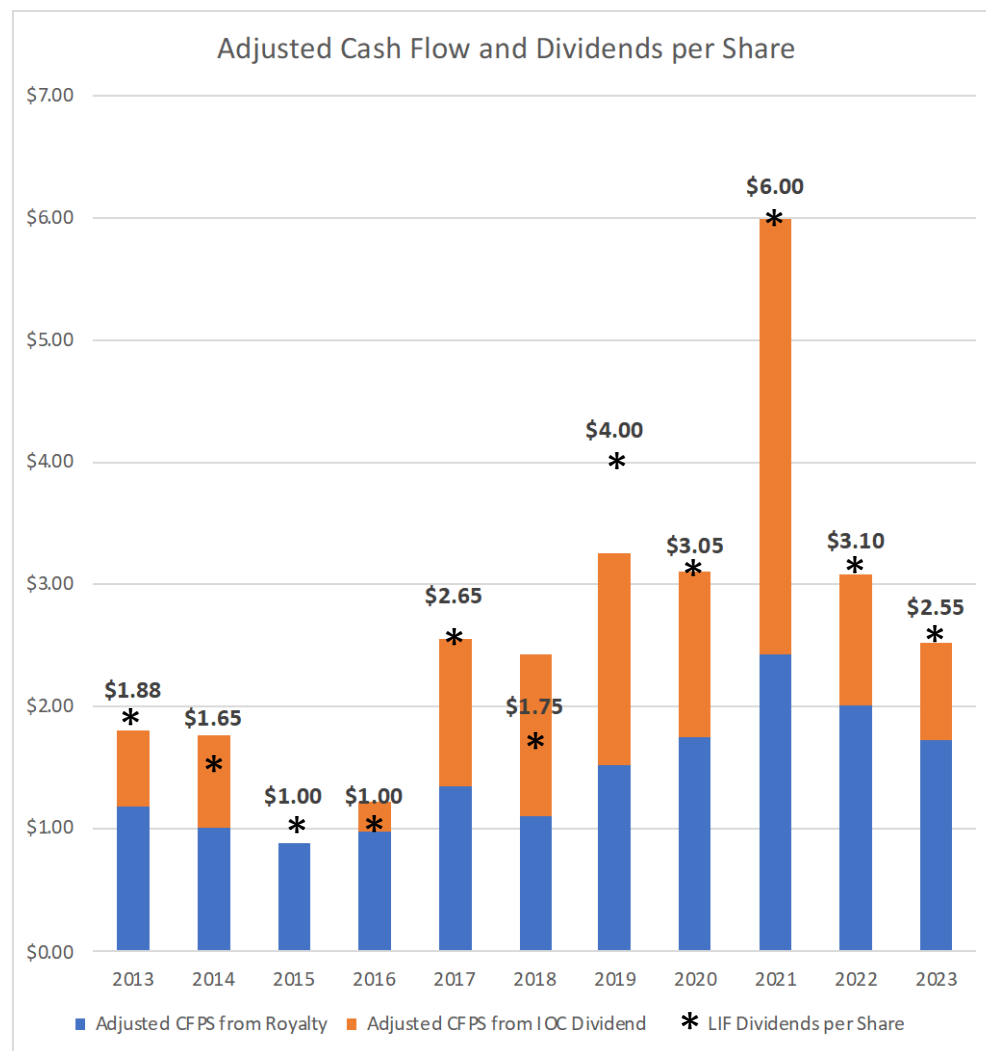
- In 2023, the Platts 65% Fe Index averaged US\$132 per tonne, down 5% from 2022, and the Platts Pellet Premium for Atlantic Basin BF Pellets (the “pellet premium”) averaged US\$45 per tonne, down from US\$72 per tonne in 2022.
- In 2023, IOC achieved an average realized price for pellets and CFS of US\$130 per tonne, FOB Sept-Iles*, a decrease of 15% from 2022. The decrease was a result of a combination of lower CFS prices, lower pellet premiums and a lower percentage of pellets sold.
- In Q1, 2024, the Platts 65% Fe Index averaged US\$136 per tonne, and the pellet premium averaged of US\$40 per tonne. In Q1, 2024, IOC achieved an average realized price for pellets and CFS of US\$133 per tonne, FOB Sept-Iles*.



* Based on sales as reported for the LIORC royalty

LIORC CASH FLOW

- Lower iron ore prices and pellet premiums in 2023 resulted in adjusted cash flow of \$2.52 per share.
 - Adjusted cash flow from the royalty was \$1.73 per share, down from \$2.01 per share.
 - Adjusted cash flow from IOC dividends of \$0.79 per share, was down from \$1.08 as IOC reduced payouts due to a decrease in cash flow.
- Q1, 2024 adjusted cash flow was \$0.49 per share, up from \$0.41 per share in Q1, 2022 (for both, all from the royalty).



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

OUTLOOK

- IOC's production guidance for 2024 is 16.7 to 19.6 million tonnes of pellets and CFS. This compares to 2023 production volumes of 16.5 million tonnes, and production volumes in the first quarter of 2023 of 4.4 million tonnes, which were 3% higher than last year's first quarter.
- IOC's capital expenditures for 2024 are forecasted to be US\$431 million, up from US\$362 million in 2023 and US\$371 million in 2022. 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.
- LIORC's returns remain highly correlated to iron ore prices. There remains uncertainty regarding the outlook for seaborne iron ore. While the economic health of the property markets in China remains a significant concern, the World Steel Association forecasts that global steel demand will grow by 1.7% in 2024 and 1.2% in 2025, as a result of 3.5% per annum broad-based growth in steel demand for the world excluding China, with India emerging as the strongest driver with 8% growth in its steel demand. In addition, significant additional demand for the type of high-quality iron ore products that IOC is capable of producing will come from the global transition to green steel.
- There was some further weakening of iron ore prices toward the end of the first quarter and into April. However, so far in May (May 1 to May 10) the average price of the 65% Fe index has rebounded to US\$133 per tonne, and the pellet premium is US\$43 per tonne.



QUESTIONS

