

# **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **Labrador Iron Mines Holdings Limited**

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### **Quarterly Report** **For the Period Ended: December 31, 2020** (the "Reporting Period")

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

162,364,427

As of September 30, 2020, the number of shares outstanding of our Common Stock was:

162,364,427

As of March 31, 2020, the number of shares outstanding of our Common Stock was:

162,364,427

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

## 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

Labrador Iron Mines Holdings Limited

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)  
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The issuer was incorporated on May 17, 2007 in the Province of Ontario, Canada under the *Business Corporations Act* (Ontario). The issuer is currently active and in good standing in the Province of Ontario.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☒ No: ☐

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

On April 2, 2015, the issuer instituted proceedings for a financial restructuring under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") and a plan of arrangement was sanctioned by the Ontario Superior Court of Justice on December 14, 2016 having been approved by creditors on December 6, 2016.

## 2) Security Information

Trading symbol: LBRMF  
Exact title and class of securities outstanding: Common Shares  
CUSIP: 505435107  
Par or stated value: No par or stated value

Total shares authorized: Unlimited as of date: December 31, 2020  
Total shares outstanding: 162,364,427 as of date: December 31, 2020  
Number of shares in the Public Float<sup>2</sup>: 106,311,171 as of date: December 31, 2020  
Total number of shareholders of record: 14 as of date: December 31, 2020

*All additional class(es) of publicly traded securities (if any):*

Trading symbol: \_\_\_\_\_  
Exact title and class of securities outstanding: \_\_\_\_\_  
CUSIP: \_\_\_\_\_  
Par or stated value: \_\_\_\_\_  
Total shares authorized: \_\_\_\_\_ as of date: \_\_\_\_\_  
Total shares outstanding: \_\_\_\_\_ as of date: \_\_\_\_\_

### Transfer Agent

Name: Computershare Company of Canada  
Phone: 416-263-9471  
Email: mark.manalo@computershare.com

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☒

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>April 1, 2018</u> Common: <u>162,364,427</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
-	-	-	-	-	-	-	-	-	-
Shares Outstanding on Date of This Report: Date <u>December 31, 2020</u> <u>Ending Balance</u> Common: <u>162,364,427</u> Preferred: <u>0</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

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<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>April 30, 2020</u>	<u>CDN\$40,000</u>	<u>CDN\$40,000</u>	<u>CDN\$ -</u>	<u>Dec 31, 2025</u>	<u>Not applicable</u>	<u>Government of Canada</u>	<u>Term Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

The Term Loan is unsecured and not convertible into any class of the issuer's equity securities.  
Dollar amounts are in Canadian dollars.

## 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☐ U.S. GAAP  
☒ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: Richard Pinkerton  
Title: Chief Financial Officer  
Relationship to Issuer: Chief Financial Officer

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;  
D. Statement of income;  
E. Statement of cash flows;  
F. Statement of Changes in Shareholders' Equity  
G. Financial notes; and  
H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the

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<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

The following financial statements are incorporated herein by reference:

The issuer's unaudited interim consolidated financial statements for the quarter ended December 31, 2020 (posting date of February 12, 2021 on OTCIQ).

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## **5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Labrador Iron Mines Holdings Limited ("LIMH", the parent company), through its majority owned subsidiaries Labrador Iron Mines Limited ("LIM") and Schefferville Mines Inc. ("SMI"), is engaged in the exploration and development of iron ore projects in the central part of the Labrador Trough region, one of the major iron ore producing regions in the world, situated in the Menihek area in the Province of Newfoundland and Labrador and in the Province of Quebec, centered near the town of Schefferville, Quebec, Canada.

LIM and SMI own extensive iron ore resources as well as mineral exploration claims in Newfoundland and Labrador and in Quebec (the "Schefferville Projects"). Collectively, LIM and SMI hold measured and indicated direct shipping ore ("DSO") mineral resources of approximately 55 million tonnes at an average grade of 56.8% Fe and inferred resources of 5.0 million tonnes at an average grade of 55.6% Fe on its Schefferville Projects. LIM and SMI also hold approximately 50 million tons in historical resources in various deposits. In addition, LIM holds the Elizabeth Taconite Project, which has an inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe.

The Schefferville Projects comprise numerous different iron ore deposits of varying sizes divided into separate portions, one within the Province of Newfoundland and Labrador and the other within the Province of Quebec, which were all part of the original Iron Ore Company of Canada ("IOC") direct shipping operations conducted from 1954 to 1982, during which time approximately 100 million tons was mined by IOC, and formed part of the 250 million tons of historical reserves and resources previously identified by IOC.

The Schefferville Projects are located in the western central part of the Labrador Trough iron range and are located approximately 1,000 km northeast of Montreal and adjacent to or within 70 km from the town of Schefferville, Quebec. There are no roads connecting the area to southern Labrador or to Quebec. Access to the area is by rail from Sept-Iles to Schefferville or by air from Montreal and Sept-Iles. The 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's original plans for its Schefferville Projects envisioned the development and mining of the various deposits in stages. Stage 1 comprised the deposits closest to existing infrastructure located at or near LIM's Silver Yards rail siding and processing site near Menihek in Labrador and involved mining of the James deposit.

Mining of the James deposit commenced in 2011 and in the three-year period of 2011, 2012 and 2013 LIM produced a total of 3.6 million dry metric tonnes of iron ore, all of which was railed to Sept Iles and sold in 23 cape-size shipments into the China spot market.

LIM has not undertaken mining operations since 2013, primarily due to volatile iron ore market conditions, but maintains its properties on a stand-by care and maintenance basis and, subject to securing financing, plans to resume mining operations as soon as economic conditions warrant.

The former James Mine and the Silver Yards processing facility have been in progressive reclamation since 2014, following termination of mining at the James Mine. LIM has substantially completed its environmental regulatory requirements relating to rehabilitation of the former James Mine, the Silver Yards processing site and related infrastructure.

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.

The Houston property ("Houston"), consisting of the Houston 1, Houston 2 and Houston 3 deposits, is situated in Labrador about 15 km southeast of the town of Schefferville. The Houston Project is comprised of the Houston property and the Malcolm deposit, located just across the provincial border in Quebec and considered to be Houston's northwest extension.

The capital investment to put the Houston Project into production is relatively modest, and the lead time for development relatively short, compared with most other iron ore projects under development in the Labrador Trough. Nevertheless, 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"), part of SLR Consulting Ltd., to complete an independent PEA and a current NI 43-101 Technical Report on the Houston Project to be used for consideration of possible financing options to advance the Houston Project.

RPA has substantially completed an updated mineral resource estimate and undertaken a detailed optimization of the open pit mining strategy and proposed production schedule. The strategy aims to maximize the quantity of higher-grade mineralization and minimize the waste mined in the plan, thus lowering the strip ratio, with the objective of reducing overall costs. The revised mine plan is now scheduling distinct phases of mining in multiple smaller pits within the already permitted project footprint.

The Houston development plan is based on lower-cost dry crushing and screening only. RPA's expanded scope of work is focused on maximizing the component of the mineral resource that can benefit from the dry crushing and screening processing strategy and potentially increasing the production life of the project beyond 10 years. When in full production, the Houston Project is expected to produce consistent saleable product of about 2 million tonnes per year. The Houston deposits contain harder ore than the James mine and are anticipated to produce a larger proportion of premium lump ore product.

Subject to securing financing, the Company plans to pursue development of the Houston Project and resume mining operations at the earliest opportunity.

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 informed LIM that, 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.

The Closure and Rehabilitation Plan for the Houston 1 and Houston 2 deposits has been approved to allow for initial development. In order to fully develop the Houston Project, the Closure and Rehabilitation Plan for the Houston 3 deposit must be approved by the Newfoundland Department of Natural Resources. The 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.

A feasibility study has not been conducted on any of the Schefferville Projects and LIM's decision to undertake commercial production has not been based upon a feasibility study of mineral reserves demonstrating economic and technical viability. Mineral resources, unlike reserves, do not have demonstrated economic viability.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

The issuer, as parent company, conducts its business through a number of operating subsidiaries, as follows.

The issuer directly owns 52% of the common shares of Labrador Iron Mines Limited ("LIM"), which holds mineral property interests in the Province of Newfoundland and Labrador, Canada.

LIM directly owns 100% of the common shares of Schefferville Mines Inc. ("SMI"), which holds mineral property interests in the Province of Quebec, Canada.

The issuer's subsidiaries have the same principal contact information as the issuer.

- C. Describe the issuers' principal products or services, and their markets

Iron ore is the main raw material used in the steel making process, which requires approximately 1.7 tonnes of iron ore to produce each tonne of steel. China, which forges half of the world's steel and consumes two-thirds of the world's sea-borne iron ore trade, dominates both the steel and iron ore markets.

In the three-year period of 2011, 2012 and 2013 LIM produced a total of 3.6 million dry metric tonnes of iron ore, all of which was sold in 23 cape-size shipments into the China spot market. LIM has not undertaken mining operations since 2013, primarily due to volatile iron ore market conditions.

China produces over half of the world's steel and currently imports the majority of the iron ore used in its blast furnaces, due to the low quality of its domestic iron ore sources. Global steel production growth since 1996 has been driven by infrastructure development in China and other developing countries. China currently imports more than 1 billion tonnes of iron ore per year and is expected to continue to increase its consumption in coming years.

The price of iron ore (62% Fe Fines CFR China) surged 80% in 2020 to a recent nine-year high of US\$170 per tonne, driven by sustained strong demand in China and supply constraints in Brazil. This price strength has continued in the early part of 2021. In China, iron ore demand has proven to be extremely strong, as infrastructure stimulus programs have been driving a robust recovery in the economy and continued strength in Chinese steel demand. Annual steel production in China surpassed 1 billion tonnes in 2020 for the first time, requiring the import of 1.17 billion tonnes of iron ore, representing an almost 10% increase over the previous record in 2017. The majority of this record setting steel production was achieved in the latter three quarters of the year, more than making up for Covid-related production constraints in the first quarter.

The early indications in 2021 are that China's demand for iron ore continues to be very strong. China imported 93 million tonnes of iron ore in January alone, representing an increase of 9% from December. The demand picture emerging overall is that China is showing no meaningful signs of moderating its steel production, and therefore its iron ore consumption, as industrial demand driven by global post-pandemic stimulus spending remains very robust.

It is not expected that Brazil can increase iron ore production rapidly in the short to medium term because of the Covid pandemic and fallout from recent tailings dam disasters. Meanwhile Australia has been fighting an ongoing trade war with China following Australian suggestions that China should investigate and publish details on the cause and early spread of the Covid virus from Wuhan. Beijing has reacted negatively and applied sanctions on Australian thermal coal and other commodities and has tried to dissuade purchases of iron ore from Australia.

Analysts generally forecast iron ore prices to remain above US\$100 per tonne in 2021, with the four largest producers — BHP, Rio Tinto, Vale and Fortescue — unable to significantly expand production. In December,

Goldman Sachs raised its iron ore price forecast for 2021 to US\$120 per tonne, citing strong Chinese steel production and recovering demand for steel in the west. In the longer-term analysts expect iron ore prices to revert from recent highs with Brazilian supply recovering, however government Covid relief programs and infrastructure investment worldwide are expected to create continued demand for steel and thus for iron ore.

More broadly speaking, there has been a substantial shift in the iron ore market in recent years favouring higher grade products. This has been particularly noticeable in China, where policy measures focused on environmental protection have driven demand for higher grade iron ore. Policy initiatives have included the closure of induction furnaces, shuttering of excess steel-making capacity and winter steel production cuts in the Beijing-Tianjin area. These measures, coupled with a general strengthening of Chinese industrial demand have put pressure on the remaining steel plants to increase their efficiency, which has, in turn, driven the demand and price for high grade imported iron ore.

These environmental and market pressures have led to an increase in the premium paid for iron ore with a higher iron content, lower deleterious element content (particularly with respect to phosphorous, silica, alumina and manganese) and higher lump component relative to the benchmark 62% Fe sinter fine product. Conversely, value-in-use penalties have increased for iron ore considered inferior to the benchmark 62% Fe sinter fine product.

This has resulted in the development of three distinctly different markets for iron ore, being (i) lower quality ~58% Fe product which sells at a discount; (ii) a standard commodity grade 62% Fe product at the benchmark price; and (iii) a high quality ~65% Fe product which commands a substantial premium. A global decline of high grade iron ore reserves without offsetting developments has resulted in a surplus of lower quality ~58% Fe product and a shortage of the ~65% Fe premium product.

The actual realized price for a shipment of LIM's iron ore was based on the monthly average spot price in China in the month the cargo departs Sept-Iles, adjusted for marketing discounts and value-in-use adjustments based on the cargo's specifications, as determined by final assay at the discharge port.

The spot market in China is tracked daily by such organizations as Platts, which publishes a widely referenced spot price index. The typical markets referenced in connection with sales of LIM's iron ore products is the Platts 62% Fe CFR China Index, or the Platts 58% Fe CFR China Index, which quote the price, delivered to China on a dry tonne basis, of sinter fine iron ore product up to 10 millimetres in size, with a moisture content of 8.0%, a silica content of 4.5%, an alumina content of 2.0%, a phosphorus content of 0.075% and a sulphur content of 0.02%. To the extent a cargo deviates from the standard specifications, or contract specific specifications, in terms of iron content, percentage of specific non-iron elements in the ore, or sizing of the product, a value-in-use adjustment to the prevailing normalized spot price applies. Value-in-use adjustments usually result in the actual realized price for a cargo being at a discount compared to the reported spot price or potentially a premium to the extent that the iron grade is higher than 62%.

## **6) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.



If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Issuer's subsidiaries LIM and SMI own extensive iron ore resources as well as mineral exploration claims in the Menihek area of western Labrador in the Province of Newfoundland and Labrador and in north-eastern Quebec, near the town of Schefferville, Quebec. Among the Schefferville Projects, the Houston Project, consisting of the Houston and Malcolm properties, and the Elizabeth Taconite Property, are the issuer's principal projects.

LIM holds mining leases and surface leases and mineral rights licences in Newfoundland and Labrador. These licences are subject to a royalty in favour of former holders of 3% (to a maximum of US\$1.50 per tonne) of the selling price free on board ("FOB") port of iron ore produced and shipped from such properties.

The Houston/Malcolm iron ore properties are subject to a royalty equal to 2% of the sales proceeds (FOB Port of Sept-Iles) received from sales of iron ore from the Houston Project, with such royalty being payable quarterly in arrears.

Six mining claims in Quebec held by SMI are held subject to a royalty of 3% of the selling price FOB port of iron ore shipped and sold from the properties, subject to such royalty being no greater than US\$1.50 per tonne and certain other mining claims in Quebec held by SMI are subject to the payment of a royalty of \$2.00 per tonne of iron ore shipped from the properties.

Private ownership of mineral rights in Newfoundland and Labrador is either through mineral claims called "Mineral Rights Licenses" issued by the Department of Natural Resources, Province of Newfoundland and Labrador at the exploration stage or mining leases at the production stage.

Mineral Rights Licenses in the Province of Newfoundland and Labrador consist of a number of claim units which are "map staked claims". In Labrador, all mineral claims are "map staked." A map staked claim is a plot of land shown on maps maintained at the Department of Mines constituting one-quarter part of a UTM grid square comprising 25 hectares or less and bounded by one corner of a UTM grid square. A "map staked license" means a license giving the holder the exclusive right to explore for minerals in an area shown on maps maintained in the Department of Mines and described in accordance with the Mineral Act (Newfoundland and Labrador) ("NFMA"). A map staked licence may be issued by the Recorder for up to 256 coterminous map staked claims. A license confers no right to remove minerals except for sampling, assaying and testing purposes. The holder of a map staked license is required to expend or cause to be expended on the licensed area the assessment work described in the NFMA.

A holder of a Mineral Rights License who wishes to obtain a mining lease of the unalienated minerals in, on or under the land or part of the land covered by the license must ensure that an application for the lease is received by the Minister of Natural Resources during the currency of the license. The holder of a Mineral Rights License who delivers an application under the NFMA has a right to be issued a mining lease for a reasonable period, not exceeding 25 years, that the Minister may determine, and subject to certain provisions including a survey of the perimeter of the area. A mining lease issued under the NFMA shall provide for an annual rental fee as set out in the NFMA.

Title to mineral properties and mining rights involves certain inherent risks including difficulties in identification of the actual location of specific properties. The issuer relies on contracts with third parties and on title opinions by legal counsel who base such opinions on the laws of Newfoundland and Labrador and Quebec and the federal laws of Canada applicable therein. Although the issuer has investigated title to all of its mineral properties for which it holds contractual interests or mineral licenses, the issuer cannot give assurance that title to such properties will not be challenged or impugned or become the subject of title claims by First Nation groups or other parties.

Although the issuer has exercised the usual due diligence with respect to determining title to and interests in the properties which comprise the Schefferville Projects, there is no guarantee that such title to or interests in such properties will not be challenged or impugned and title insurance is generally not available. The issuer's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by, among other things, undetected defects. Surveys have not been carried out on some of the Schefferville Projects in accordance with the laws of Newfoundland and Labrador and Quebec; therefore, their existence and area could be in doubt.

The main permits, licenses, approvals, and other forms of authorization required for the development of a mine in Labrador must be obtained from both the Government of the Province of Newfoundland and Labrador and the Government of Canada. These consist of a Mining Lease and a Permit to Mine issued under the *Mining Act* (Newfoundland and Labrador) and an approval and release of the project under the *Environmental Protection Act* (Newfoundland and Labrador) and, potentially, the *Impact Assessment Act* (Canada).

Legislation principally applicable to the permitting process by the Government of Newfoundland and Labrador includes (i) the *Environmental Protection Act*, the *Water Resources Act* and the *Endangered Species Act* administered by the Department of Environment and Conservation; (ii) the *Mining Act* administered by the Department of Natural Resources; and (iii) the *Occupational Health & Safety Act* and the *Workplace Health, Safety and Compensation Act* administered by the Department of Government Services.

Legislation principally applicable to the permitting process by the Government of Canada includes (i) the *Impact Assessment Act*, the *Environmental Protection Act* and the *Species at Risk Act* all administered by Environment Canada; (ii) the *Fisheries Act* administered by Fisheries and Oceans Canada; and (iii) the *Navigable Waters Protection Act* and the *Transportation of Dangerous Goods Act* administered by Transport Canada.

The issuer must obtain various regulatory approvals, permits and licences and there is no assurance that such approvals will be obtained. There can be no assurance that all permits, licences and approvals that the issuer may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis.

## 7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>John F. Kearney</u>	<u>Officer and Director</u>	<u>Toronto / Ontario</u>	<u>3,523,270</u>	<u>Common</u>	<u>2.2%</u>	<u>Includes 385,001 shares owned personally and 3,138,269 shares held through Energold Minerals Inc.</u>
<u>Matthew Coon Come</u>	<u>Director</u>	<u>Mistissini / Quebec</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	
<u>Eric Cunningham</u>	<u>Director</u>	<u>Toronto / Ontario</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	
<u>Gerald Gauthier</u>	<u>Director</u>	<u>Toronto / Ontario</u>	<u>75,000</u>	<u>Common</u>	<u>0.0%</u>	
<u>D. William Hooley</u>	<u>Director</u>	<u>West Sussex / United Kingdom</u>	<u>559,238</u>	<u>Common</u>	<u>0.3%</u>	<u>Includes 56,250 shares held personally and 502,988 shares held through Hooley Consultants</u>
<u>Brendan Lynch</u>	<u>Director</u>	<u>London / United Kingdom</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	
<u>Danesh Varma</u>	<u>Director</u>	<u>Kingston / United Kingdom</u>	<u>150,000</u>	<u>Common</u>	<u>0.1%</u>	
<u>Neil Steenberg</u>	<u>Officer</u>	<u>Toronto / Ontario</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	
<u>Richard Pinkerton</u>	<u>Officer</u>	<u>Toronto / Ontario</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	
<u>Anglesey Mining plc</u>	<u>Owner of more than 5%</u>	<u>London / United Kingdom</u>	<u>19,289,100</u>	<u>Common</u>	<u>11.9%</u>	<u>Contact information of representative:</u> <u>D. William Hooley.</u> <u>billhooley@angleseymining.co.uk</u>
<u>Mining Developments LLC</u>	<u>Owner of more than 5%</u>	<u>London / United Kingdom</u>	<u>32,456,648</u>	<u>Common</u>	<u>19.9%</u>	<u>Contact information of representative:</u> <u>Brendan Lynch.</u> <u>blynch@gerald.com</u>

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

LIM is party to one unresolved claim from 2016 in the amount of approximately Cdn\$3.0 million which has been rejected and remains in dispute. The Naskapi Nation of Kawawachikamach submitted a claim under its Economic Development Agreement against LIM as part of the 2015 CCAA process, and is being dealt with pursuant to dispute resolution provisions of the Plan of Arrangement approved by the Ontario Superior Court of Justice. The issuer has not recognized the unresolved claim as a liability as the outcome of the claim is not determinable at this time and the full amount of the unresolved claim is treated as a contingent liability.

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Neil J.F. Steenberg  
Firm: Steenberglaw Professional Corporation  
Address 1: 55 University Ave., Suite 1805  
Address 2: Toronto, Ontario, M5J 2H7, Canada  
Phone: 416-941-9559  
Email: neil@steenberglaw.ca

#### Accountant or Auditor

Name: Jessica Glendinning  
Firm: McGovern Hurley LLP  
Address 1: 251 Consumers Road, Suite 800  
Address 2: Toronto, Ontario, M2J 4R3, Canada  
Phone: 416-496-1234  
Email: info@mcgovernhurley.com

#### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

#### Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Firm: Roscoe Postle Associates Inc.  
Nature of Services: Geological and engineering consulting  
Address 1: 55 University Ave., Suite 501  
Address 2: Toronto, Ontario, M5J 2H7, Canada  
Website: www.rpacan.com

### **10) Issuer Certification**

#### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, John F. Kearney certify that:

1. I have reviewed this quarterly disclosure statement for the three month period ended December 31, 2020 of Labrador Iron Mines Holdings Limited;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 11, 2021

/s/ John F. Kearney  
Chief Executive Officer

*Principal Financial Officer:*

I, Richard Pinkerton certify that:

1. I have reviewed this quarterly disclosure statement for the three month period ended December 31, 2020 of Labrador Iron Mines Holdings Limited;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 11, 2021

/s/ Richard Pinkerton  
Chief Financial Officer