

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Labrador Iron Mines Holdings Limited

55 University Ave., Suite 1805, Toronto, Ontario, M5J 2H7, Canada

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(Amended)

Annual Report

For the Year Ended: March 31, 2021

(the "Reporting Period")

As of March 31, 2021, the number of shares outstanding of our Common Stock was:

162,364,427

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

162,364,427

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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 Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "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 and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Labrador Iron Mines Holdings Limited

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; 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.

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

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

The address(es) of the issuer's principal executive office:

55 University Ave., Suite 1805, Toronto, Ontario, M5J 2H7, Canada

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

As above

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) 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: March 31, 2021
Total shares outstanding: 162,364,427 as of date: March 31, 2021
Number of shares in the Public Float²: 106,311,174 as of date: March 31, 2021
Total number of shareholders of record: 14 as of date: March 31, 2021

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: Laura.Stone@computershare.com
Address: 100 University Ave., 11th Floor, South Tower, Toronto, ON, M5J 2Y1, Canada

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

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.

² "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.

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

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:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance									
Date <u>April 1, 2019</u> Common: <u>162,364,427</u> Preferred: <u>0</u> DSUs <u>1,077,362</u> RSUs <u>0</u> Stock options <u>0</u>									
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.
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Matthew Coon Come</u>	<u>Director compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Eric Cunningham</u>	<u>Director compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Gerald Gauthier</u>	<u>Director compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>D. William Hooley</u>	<u>Director compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Brendan Lynch</u>	<u>Director compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Danesh Varma</u>	<u>Director compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>500,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>John F. Kearney</u>	<u>Employee Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>250,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Richard Pinkerton</u>	<u>Employee Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Aiden Carey</u>	<u>Consultant Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Rod Cooper</u>	<u>Consultant Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Joseph Lanzon</u>	<u>Consultant Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Lawrence LeDrew</u>	<u>Consultant Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>

<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Wayne Walsh</u>	<u>Employee Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>25,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Jocelyn Fernandez</u>	<u>Employee Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>25,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Tyler Hosey</u>	<u>Staff Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>25,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Jason Macintosh</u>	<u>Consultant Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>25,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Janice Malmholt</u>	<u>Staff Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>25,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Rodel Ortiz</u>	<u>Employee Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>
<u>March 31, 2021</u>	<u>New Grant</u>	<u>50,000</u>	<u>RSUs</u>	<u>CDN\$0.356</u>	<u>No</u>	<u>Neil Steenberg</u>	<u>Consultant Compensation</u>	<u>Restricted</u>	<u>Not Applicable</u>

Shares Outstanding on Date of This Report:

Ending Balance:

Date March 31, 2021 Common: 162,364,427
Preferred: 0
DSUs 1,077,362
RSUs 1,475,000
Stock options 0

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2020, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2020 pursuant to the tabular format above.

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

DSUs represent Deferred Share Units. On redemption, each DSU entitles the grantee to receive, after deduction of any applicable taxes and other required source deductions, at the issuer's option: (i) a common share issued from treasury; (ii) a cash payment equal to the market value of a common share; or (iii) a cash payment used to purchase a common share on the open market on behalf of the grantee.

RSUs represent Restricted Share Units. Upon vesting, each RSU entitles the grantee the right to receive, on or after the payout election date and until the expiry date, after deduction of any applicable taxes and other required source deductions, at the issuer's option: (i) a common share issued from treasury; (ii) a cash payment equal to the market value of a common share; or (iii) a cash payment used to purchase a common share on the open market on behalf of the grantee.

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>-</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 (CDN\$).

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)⁴:

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 Retained Earnings (Statement of Changes in Stockholders' 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 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 issuer's audited consolidated financial statements for the year ended March 31, 2021, posted to OTCIQ on June 29, 2021, are incorporated by reference.

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

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 situated in the Menihek area of western Newfoundland and Labrador and northeastern Quebec, near the town of Schefferville, in the central part of the Labrador Trough region of eastern Canada, one of the major iron ore producing regions in the world.

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 which reported producing in excess of 150 million tons of lump and sinter fine ore between 1954 and 1982, and formed part of the 250 million tons of historical reserves and resources previously identified by IOC.

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 issuer's strategy for the Schefferville Projects has been 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 processing site, near Menihek in Labrador, and involved mining of the James and Redmond deposits.

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 the Port of 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 has maintained its properties on a stand-by care and maintenance basis, while focusing its planning activities on advancing the development of Stage 2, the Houston Project.

The Company's current focus is on development of the Houston Project, LIM's flagship property. The Houston Project is an open pit DSO project expected to produce 2 million dry metric tonnes ("dmt") of direct shipping iron ore ("DSO") per year, with an initial 12-year mine life, for total production of 23.4 million dmt of product at 62.2% Fe over the life of the mine. Planned operations will involve conventional open pit truck and shovel activities and simple dry crushing and screening for processing.

As an important step in advancing the Houston Project, LIM engaged Roscoe Postle Associates Inc., now part of SLR Consulting Ltd. (collectively, "RPA/SLR"), to complete a National Instrument 43-101("NI 43-101") compliant technical report and preliminary economic assessment (collectively, the "PEA") of the Houston Project.

The PEA was issued in February 2021 with an effective date of December 31, 2020 and is filed on the issuer's website and under the issuer's profile on www.sedar.com.

As part of the PEA, RPA/SLR completed an updated National Instrument 43-101 ("NI 43-101") mineral resource estimate and undertook a detailed optimization of Houston's open pit mining strategy and fully updated the proposed production schedule. This work focused on maximizing the component of the mineral resource that can benefit from the dry crushing and screening processing strategy and thereby increased the expected production life of the project from 10 years to 12 years.

As reported in the Technical Report, the updated NI-43-101 mineral resource estimate of the Houston Project, effective December 31, 2020, is 20.5 million tonnes (62.7% Fe) in the Measured and Indicated categories and 14.3 million tonnes (59.4% Fe) in the Inferred category.

The PEA establishes an updated Houston mining schedule of 2.0 million tonnes per annum ("Mtpa") (62.2% Fe) for total production of 23.4 Mt over a 12 year mine life. Mining and processing (consisting of dry crushing and screening only) will be undertaken 12 months of the year at a planned rate of 5,500 tonnes per day ("tpd"), with an expected 100% mass yield. Train loading is planned to be undertaken from May to November (approximately 200 days per year) at a rate of 10,000 tpd. The product mix is expected to be 30% lump and 70% sinter fines DSO product.

The PEA estimates initial direct capital costs of CDN\$51.3 million, and along with indirect costs, engineering, procurement and construction management (EPCM) costs, owner's costs and contingency, total initial capital expenditures of CDN\$86.8 million. Sustaining capital is estimated at CDN\$67.7 million. Initial capital costs and sustaining capital costs include an 18% contingency on direct and indirect costs.

The PEA uses an assumed long term iron ore price of US\$90/dmt (62% Fe Sinter Fines CFR China basis) as the base case in its financial analysis. This assumed base case long term iron ore price reflects the 3-year trailing average price of iron ore up to December 31, 2020, the effective date of the report.

The product from the Houston Project is expected to be comprised of 30% lump iron ore and 70% sinter iron ore at an average Fe grade of 62.2% and an average silica content of 7.4%. The PEA assumes a premium of US\$10/dmt will be paid over the benchmark price for lump product and a penalty of US\$1.50/dmt will be charged for every 1.0% silica content above 4.0%.

The product sold from the Houston Project is subject to a 2% revenue royalty payable to Houston Iron Royalties Limited. Additionally, the Houston deposits in Newfoundland and Labrador are subject to a royalty of US\$1.50/dmt and the Malcolm deposit in Quebec is subject to a royalty of CDN\$2.00/dmt, in both cases payable to the former owners of the properties. Financial participation to adjacent First Nation communities total approximately 1.1% NSR.

The PEA economic model assumes a planned point-of-sale of product from the Houston Project as Free on Board (FOB) the Houston rail siding. Under this concept, the sale price realized by the LIM (FOB Houston rail siding) is expected to reflect an adjustment to the CFR China benchmark price for all onward rail, port and ocean shipping costs and value-in-use adjustments.

The PEA assumes the project's realized price (FOB Houston rail siding), at an assumed base case, long term iron ore price of US\$90/dmt, will reflect an off-take partner's adjustment of US\$52/dmt comprising rail and port costs in Canada, ocean shipping to China, value-in-use adjustments, a price discount for the purchaser and a charge for

royalties. In other words, the PEA assumes LIM will net US\$38/dmt (FOB Houston rail siding) for its sinter product and US\$48/dmt (FOB Houston rail siding) for its lump product at an assumed base case long term iron ore price of US\$90/dmt (CFR China 62% Fe sinter fines basis). The PEA estimates LIM's total cash cost of iron ore product delivered FOB Houston rail siding will be US\$24.63/dmt (CDN\$32.84/dmt).

Although an off-take agreement with a partner has yet to be finalized, the PEA economic model assumes a buyer would participate as to 50% of the price appreciation above US\$90/dmt (CFR China 62% Fe sinter fines basis), as an incentive to agree to the point-of-sale being FOB Houston rail siding. The issuer notes that if the point of sale were alternatively FOB Port of Sept-Iles, such a price participation arrangement with a buyer would not be anticipated.

Based on the assumptions used, the PEA estimates the Houston Project will generate an undiscounted net cash flow of CDN\$234 million and an after-tax net present value at an 8% discount rate ("NPV_{8%}") of CDN\$109 million and an after-tax internal rate of return ("IRR") of 39%, under the base case US\$90/dmt (62% Fe Sinter Fines CFR China basis) benchmark pricing model.

The project economic results are most sensitive to the iron ore price revenue driver and less sensitive to input operating and capital costs. The PEA notes that using a more recent spot price of US\$160/dmt, adjusted for an assumed 50% price participation above US\$90/dmt, would increase the after-tax NPV_{8%} to CDN\$459 million and the after-tax IRR to 209%. Furthermore, the PEA notes that using a recent spot price of US\$160/dmt, not adjusted for an assumed price participation by the buyer, would increase the after-tax NPV_{8%} to CDN\$778 million and the after-tax IRR to 514%.

The Houston Project's deposits 1 and 2 have undergone extensive regulatory review and approval and are considered ready for construction and with a one-year construction period to production, the Houston Project offers low technical risk, with only building a short gravel road and rail siding as the principal construction components.

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

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.

The Stage 1 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.

B. Please list any subsidiaries, parents, or affiliated companies.

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 properties in the Province of Newfoundland and Labrador, Canada.

LIM directly owns 100% of the common shares of Schefferville Mines Inc. ("SMI"), which holds mineral properties 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.

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 seaborne iron ore trade, dominates both the steel and iron ore markets. China currently imports approximately 90% of the iron ore used in its blast furnaces, due to the low quality of its domestic iron ore sources.

The price of iron ore (62% Fe Fines CFR China) surged 80% in 2020 to a nine-year high of US\$170 per tonne, driven largely by sustained demand in China and supply constraints in Brazil. In the first half of 2021, the price of iron ore surged another 40%, to an all-time record US\$235 per tonne in May, before settling in at US\$215 per tonne in June.

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 production. Annual steel output 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.

Projected iron ore supply is routinely overestimated, with Australian exports yet to hit levels that were expected to have been achieved 2-4 years ago. Any material increase in supply depends largely on Vale's ramp up in Brazil, and commissioning of new replacement mines in Australia's Pilbara region and development of one or two of the larger known deposits elsewhere in the world.

In the longer-term analysts generally expect iron ore prices to retreat from recent highs with Brazilian supply recovering, however government Covid relief programs and infrastructure investment worldwide are expected to create continued medium term demand for steel and thus for iron ore.

More broadly, 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 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 and the extent in which the facilities are utilized.

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 CDN\$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) Company Insiders (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, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders 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 (City, State) 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>Mr. Kearney also holds 500,000 RSUs.</u>
<u>Matthew Coon Come</u>	<u>Director</u>	<u>Mistissini / Quebec</u>	<u>-</u>	<u>Common</u>	<u>0.0%</u>	<u>Mr. Coon Come holds 50,000 RSUs and 359,121 DSUs.</u>
<u>Eric Cunningham</u>	<u>Director</u>	<u>Toronto / Ontario</u>	<u>-</u>	<u>Common</u>	<u>0.0%</u>	<u>Mr. Cunningham holds 50,000 RSUs and 359,121 DSUs.</u>
<u>Gerald Gauthier</u>	<u>Director</u>	<u>Toronto / Ontario</u>	<u>75,000</u>	<u>Common</u>	<u>0.0%</u>	<u>Mr. Gauthier also holds 50,000 RSUs and 359,120 DSUs.</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>Mr. Hooley also holds 50,000 RSUs.</u>
<u>Brendan Lynch</u>	<u>Director</u>	<u>London / United Kingdom</u>	<u>-</u>	<u>Common</u>	<u>0.0%</u>	<u>Mr. Lynch holds 50,000 RSUs.</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>Mr. Varma also holds 50,000 RSUs.</u>
<u>Neil Steenberg</u>	<u>Officer</u>	<u>Toronto / Ontario</u>	<u>-</u>	<u>Common</u>	<u>0.0%</u>	<u>Mr. Steenberg holds 50,000 RSUs.</u>
<u>Richard Pinkerton</u>	<u>Officer</u>	<u>Toronto / Ontario</u>	<u>-</u>	<u>Common</u>	<u>0.0%</u>	<u>Mr. Pinkerton holds 250,000 RSUs.</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 or entities 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);

No

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;

No

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

No

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.

No

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: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Accountant or Auditor

Name: Jessica Glendinning, CPA
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 **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Firm: SLR Consulting (Canada) Ltd
Nature of Services: Geological and engineering consulting
Address 1: 55 University Ave., Suite 501
Address 2: Toronto, Ontario, M5J 2H7, Canada
Website: www.slrconsulting.com

10) Issuer Certification

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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

Principal Executive Officer:

I, John F. Kearney certify that:

1. I have reviewed this amended annual disclosure statement for the year ended March 31, 2021 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.

June 30, 2021

/s/ John F. Kearney
Chief Executive Officer

Principal Financial Officer:

I, Richard Pinkerton certify that:

1. I have reviewed this amended annual disclosure statement for the year ended March 31, 2021 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.

June 30, 2021

/s/ Richard Pinkerton
Chief Financial Officer