

LABRADOR IRON ORE
ROYALTY CORPORATION

**NOTICE OF ANNUAL MEETING
OF HOLDERS OF COMMON SHARES**

to be held on Thursday, May 11, 2017

and

MANAGEMENT INFORMATION CIRCULAR

March 22, 2017

LABRADOR IRON ORE ROYALTY CORPORATION

NOTICE OF MEETING

Notice is hereby given that an annual meeting (the “**Meeting**”) of the holders of common shares of Labrador Iron Ore Royalty Corporation (“**LIORC**”) will be held on Thursday, May 11, 2017 at 11:00 a.m. (Toronto time) at Toronto Region Board of Trade, 77 Adelaide Street West, First Canadian Place, Third Floor, Toronto, Ontario, Canada. The Meeting will be held for the following purposes:

- (a) to receive reports and audited financial statements;
- (b) to elect Directors for the coming year; and
- (c) to appoint auditors for the coming year and authorize the Directors to fix their remuneration.

A holder of common shares who is unable to attend the Meeting in person should complete and submit the enclosed form of proxy for use at the Meeting. In order to be valid and acted upon at the Meeting or any adjournment thereof, proxies must be received by Computershare Investor Services Inc. at 100 University Avenue, Toronto, Ontario, M5J 2Y1 by 5:00 p.m. (Toronto time) on May 10, 2017.

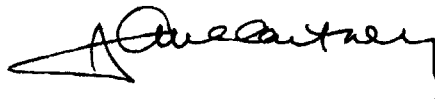
If you are a non-registered holder of common shares and received these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form, as the case may be, provided to you in accordance with the instructions provided by your broker or intermediary. Failure to do so may result in your common shares not being eligible to be voted at the Meeting.

If you have any questions about how to vote your shares please contact Kingsdale Advisors, LIORC’s strategic shareholder advisor and proxy solicitation agent, by toll-free call in North America at 1-866-851-3212 or collect call outside North America at 416-867-2272 or by email to contactus@kingsdaleadvisors.com.

On behalf of the Board of Directors,



William H. McNeil
President and Chief Executive Officer



James C. McCartney
Executive Vice President and Secretary

March 22, 2017

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

LABRADOR IRON ORE ROYALTY CORPORATION

MANAGEMENT INFORMATION CIRCULAR

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by management of Labrador Iron Ore Royalty Corporation (“**LIORC**”) for use at the annual meeting (the “**Meeting**”) of holders of common shares to be held at Toronto Region Board of Trade, 77 Adelaide Street West, First Canadian Place, Third Floor, Toronto, Ontario, Canada on Thursday, May 11, 2017 commencing at 11:00 a.m. (Toronto time) for the purposes set forth in the notice of meeting (the “**Notice**”) accompanying this Information Circular.

Solicitation of Proxies

Information contained herein is given as of March 22, 2017. The costs incurred in the solicitation of proxies and in the preparation of mailing of this Information Circular will be borne by LIORC. Solicitation of proxies by the management of LIORC and by employees of Scotia Managed Companies Administration Inc., in its capacity as administrator of LIORC, will be through the mail, in person and/or by telephone. LIORC has also engaged Kingsdale Advisors (“**Kingsdale**”) as strategic shareholder advisor and proxy solicitation agent for a fee of \$38,500. If you have any questions about how to vote your shares, please contact Kingsdale by toll-free call in North America at 1-866-851-3212 or collect call outside North America at 416-867-2272 or by email at contactus@kingsdaleadvisors.com.

Appointment and Revocation of Proxies

A form of proxy accompanies the Notice and this Information Circular. The persons named in such form of proxy are directors and officers of LIORC. A person or corporation submitting a proxy shall have the right to appoint a person (who need not be a holder of common shares of LIORC) to be a representative at the Meeting, other than the persons designated in the form of proxy furnished by LIORC. Such appointment may be exercised by crossing out the persons named in the enclosed form of proxy and inserting the name of the appointed representative in the blank space on the form of proxy. A proxy will not be valid unless it is completed and submitted for use at the Meeting. In order to be valid and acted upon at the Meeting or any adjournment thereof, proxies must be received by Computershare Investor Services Inc. no later than 5:00 p.m. (Toronto time) on May 10, 2017. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

A holder of common shares of LIORC who has given a proxy may revoke it by depositing an instrument in writing executed by such holder (or by an attorney duly authorized in writing) or, if such holder is a corporation, by any officer or attorney thereof duly authorized, either at the registered office of LIORC at any time up to and including the close of business on the last business day preceding the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day thereof or any adjournment thereof.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will, if the instructions are certain, vote the common shares of LIORC represented thereby and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the common shares of LIORC will be voted in accordance with the specification. In the event that a proxy is returned without voting instructions, the common shares of LIORC represented thereby will be voted in favour of the resolutions described in the Notice. If a person or corporation appoints a representative other than the persons designated in the form of proxy, LIORC assumes no responsibility as to whether the representative so appointed will attend the Meeting to vote the common shares of LIORC in accordance with the instructions of, or otherwise act on behalf of, the person or corporation appointing the representative.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

The enclosed form of proxy confers discretionary authority on the persons with respect to amendments or variations of matters identified in the Notice. At the time of printing this Information Circular, the directors of LIORC (the “**Directors**”) are not aware of any such amendments or variations.

Information for Registered and Non-Registered Holders

Only holders of common shares of LIORC whose names are set out in the applicable registers maintained by LIORC’s transfer agent (“**Registered Holders**”) or the persons they appoint as their proxies are permitted to vote at the Meeting. CDS & Co. is a Registered Holder that acts as a clearing agent for intermediaries (each, an “**Intermediary**”) such as, among others, banks, trust companies, securities dealers or brokers and trustees, administrators or managers of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans. In accordance with the requirements of National Instrument 54-101, LIORC has caused the Notice, this Information Circular and the accompanying form of proxy (collectively, the “**Meeting Materials**”) to be distributed to CDS & Co. and the Intermediaries for onward distribution to non-registered holders of common shares of LIORC (“**Non-Registered Holders**”).

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will be given either:

- (i) a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the numbers of common shares of LIORC beneficially owned by the Non-Registered Holder but which is otherwise not completed; this form of proxy need not be signed by the Non-Registered Holder; in this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and send or deliver it to Computershare Investor Services Inc. as set out in the Notice; or
- (ii) a voting instruction form, which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form and returned to the Intermediary or its service company.

Voting Instructions for Registered Holders

A **Registered Holder** may submit a proxy by:

Mail or delivery:

Computershare Investor Services Inc.
Attention: Proxy Department
8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1.

Telephone: Enter the 15 digit control number at 1-866-732-8683 (Canada and the U.S. only) or 312-588-4290 (outside Canada and the U.S.).

Internet: Enter the 15 digit control number at www.investorvote.com.

Voting Instructions for Non-Registered Holders

Canadian Non-Registered Holders may vote by:

Telephone: Enter the 16 digit control number at 1-800-474-7493.

Internet: Enter the 16 digit control number at www.proxyvote.com.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

U.S. Non-Registered Holders may vote by:

Telephone: Enter the 16 digit control number at 1-800-454-8683.

Internet: Enter the 16 digit control number at www.proxyvote.com.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares of LIORC that they beneficially own at the Meeting. Should a Non-Registered Holder who receives either a form of proxy or a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons designated in the form of proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding directions on the form.

Additionally, LIORC may use the Broadridge QuickVote™ service to assist non-registered shareholders with voting their shares. Non-registered shareholders may be contacted by Kingsdale Advisors to conveniently obtain a vote directly over the telephone. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions respecting the voting shares to be represented at the Meeting.

Common shares of LIORC held by Intermediaries can only be voted at the Meeting upon the instructions of the Non-Registered Holders. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or voting instruction form is to be delivered.

Quorum

The presence, in person or by proxy, of at least two holders of common shares of LIORC holding or representing at least 25% of the number of common shares outstanding on the date of the Meeting is required to constitute a quorum at the Meeting. If a quorum is not present at the Meeting, the Meeting will be adjourned to such day being not less than 14 days after the date of the Meeting, as may be specified by the Chairman of the Meeting. If at such adjourned meeting a quorum is not present, the holders of common shares present in person or by proxy will form a quorum.

Voting Securities and Principal Holders

Common Shares

Holders of common shares of LIORC of record at the close of business on March 22, 2017 are entitled to notice of and to attend the Meeting in person or by proxy and are entitled to one vote per share held on all matters to be considered at the Meeting. There are 64 million common shares outstanding.

Principal Holders

To the best of the knowledge of the Directors, no person beneficially owns, directly or indirectly, or exercises control or direction over, common shares of LIORC carrying more than 10% of the voting rights attached to the outstanding common shares of LIORC which may be voted at the Meeting.

If you have any questions or need assistance completing your form of proxy or voting instruction form, please call Kingsdale Advisors toll-free within North America at 1-866-851-3212 or outside North America at 1-416-867-2272 (collect call) or by email at contactus@kingsdaleadvisors.com.

Compensation

The compensation paid by LIORC to its executive officers for the period from January 1, 2014 to December 31, 2016 and to its Directors for the period from January 1, 2016 to December 31, 2016, was as follows:

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>All Other Compensation (Bonus)</u>	<u>Fees Earned</u>	<u>Total Compensation</u>
William H. McNeil ⁽¹⁾ President and CEO and Director	2016	\$ 73,333	—	\$ 82,517	\$155,850
	2015	—	—	\$ 25,383	\$ 25,383
James C. McCartney Executive Vice President and Secretary and Director	2016	\$155,000	—	—	\$155,000
	2015	\$155,000	—	—	\$155,000
	2014	\$155,000	—	—	\$155,000
Sandra L. Rosch ⁽²⁾ Executive Vice President and Director	2016	\$130,000	—	—	\$130,000
	2015	\$ 65,000	—	\$ 28,200	\$ 93,200
	2014	—	—	\$ 29,083	\$ 29,083
Alan R. Thomas CFO	2016	\$130,000	—	—	\$130,000
	2015	\$130,000	—	—	\$130,000
	2014	\$125,000	—	—	\$125,000
William J. Corcoran Non-executive Chairman of the Board and Director	2016	—	—	\$ 83,000	\$ 83,000
Duncan N.R. Jackman Director	2016	—	—	\$ 48,000	\$ 48,000
Mark J. Fuller Director	2016	—	—	\$108,000	\$108,000
Patricia M. Volker Director	2016	—	—	\$ 68,000	\$ 68,000
Bruce C. Bone ⁽³⁾	2016	\$160,000	—	\$150,000	\$310,000
	2015	\$240,000	—	—	\$240,000
	2014	\$230,000	—	—	\$230,000

Notes:

- (1) Appointed President and CEO on September 1, 2016.
- (2) Appointed Executive Vice President on July 1, 2015.
- (3) Retired as Director on May 27, 2016, as President and CEO on August 31, 2016 and as a consultant on December 31, 2016.

On March 2, 2017, the Compensation Committee awarded bonuses for 2016 to the executive officers as follows: William H. McNeil \$33,000, Bruce C. Bone \$29,000, James C. McCartney \$31,000, Alan R. Thomas and Sandra L. Rosch \$26,000. A peer group assessment by Hugessen Consulting had indicated that the officers were undercompensated. In 2016 there was a smooth transition of leadership, a successful change of auditors, successful investor relations activities and the Corporation had improved financial results. The bonuses were based on percentages of salaries, pro-rated in the cases of Mr. McNeil and Mr. Bone for half a year.

The Compensation Committee, made up of independent Directors, determines the compensation (including the amount of each element thereof) for each of the executive officers. LIORC is a passive holder of interests in Iron Ore Company of Canada (“IOC”) and has no operating business. In these circumstances, the Compensation Committee’s process for determining executive compensation is very simple and it relies solely on Committee discussion, without any formal objectives, criteria and analysis. The focus is on the performance of

the executive officer of his or her duties and responsibilities. The Compensation Committee believes that LIORC's compensation policies do not encourage unnecessary risk-taking.

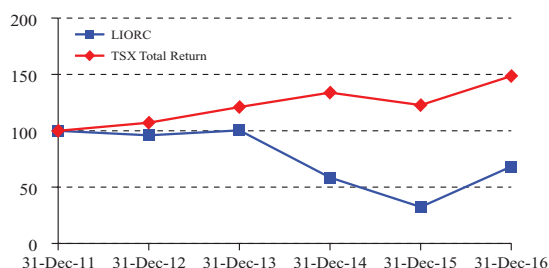
The current annual compensation of Mr. McNeil is \$220,000; the current annual compensation of Mr. McCartney is \$155,000; the current annual compensation of Ms. Rosch is \$130,000; and the current annual compensation of Mr. Thomas is \$130,000. For the year ended December 31, 2016, the total compensation of the officers represents 0.8% of comprehensive net income. Messrs. McNeil, McCartney and Thomas and Ms. Rosch each have an employment contract that provides for the payment of two times his or her salary in the event of a change of control of LIORC, but no amount is payable if he or she continues as an employee of LIORC for a period longer than 90 days after the change of control.

The Directors are entitled to compensation as approved by the Board. As at December 31, 2016, the annual compensation of the Directors, other than the three who are also executive officers, is \$30,000 each and \$1,200 for each meeting attended. Mr. William Corcoran serves as non-executive Chairman of the Board and his annual compensation as such is \$25,000. The Chairman of the Audit Committee is paid an additional \$20,000 per annum, the Chairman of the Compensation Committee is paid an additional \$10,000 per annum and the Chairman of the Nominating Committee is paid an additional \$10,000 per annum. Mr. Fuller is paid an additional \$50,000 per annum for serving on the board of directors of IOC. The three Directors who are also executive officers do not receive compensation for serving as Directors.

For the year ended December 31, 2016 the total compensation paid to the officers and Directors (including Mr. Bone) was \$1,077,850. For the year ended December 31, 2015, the total compensation paid to the officers and Directors was \$1,028,100. There is no short or long term incentive arrangement and no stock option plan. Officers' salaries and Directors' fees are not affected by the price performance of LIORC's shares.

Performance Graph

The graph below shows the cumulative total return on a \$100 investment on December 31, 2011 in common shares of LIORC, and the cumulative total return of the S&P/TSX Composite Index over the five year period ending December 31, 2016, assuming reinvestment of all distributions.



	2011	2012	2013	2014	2015	2016
LIORC	100.0	96.0	100.4	58.5	32.4	68.3
TSX Total Return . .	100.0	107.2	121.1	133.9	122.8	148.6

Administration Agreement

Pursuant to an administration agreement extended on July 1, 2016, Scotia Managed Companies Administration Inc. acts as administrator for LIORC and Hollinger Hanna Limited, for an aggregate annual fee of \$250,000 (payable quarterly in advance). Scotia Managed Companies Administration Inc., as administrator, has agreed to provide or arrange for the provision of services required in the administration of LIORC and Hollinger Hanna Limited. The administration agreement may be terminated by either party on six months' written notice. The address of Scotia Managed Companies Administration Inc. is 40 King Street West, Scotia Plaza, 26th Floor, Box 4085, Station "A", Toronto, Ontario, M5W 2X6.

Interest of Certain Persons and Companies in Matters to be Acted Upon

The Directors of LIORC are not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any Director or executive officer of LIORC at any time since January 1, 2016, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting.

Business of the Annual Meeting

Financial Statements

The financial statements of LIORC for the years ended December 31, 2016 and December 31, 2015 together with the auditors' report thereon, contained in the 2016 Annual Report mailed to the holders of common shares with this Information Circular, will be presented to the holders of common shares at the Meeting.

Election of Directors

A resolution to elect William J. Corcoran, Mark J. Fuller, Duncan N.R. Jackman, James C. McCartney, William H. McNeil, Sandra L. Rosch and Patricia M. Volker as Directors will be presented to the holders of common shares at the Meeting. The term of office for each Director is from the date of the meeting at which he or she is elected until the next annual meeting or until a successor is elected or appointed. It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies for the election of the nominees as Directors. Management does not contemplate that any of the nominees will be unable to serve as a Director but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

In accordance with LIORC's majority voting policy, any nominee in an uncontested election who receives a greater number of common shares withheld than common shares voted in favour of his or her appointment will submit his or her resignation promptly after the Meeting for the Nominating Committee's consideration. The Nominating Committee will make a recommendation to the Board after reviewing the matter, and the Board will consider the Nominating Committee's recommendation and make a decision regarding the resignation within 90 days of the Meeting. Upon making its decision, the Board will promptly cause LIORC to issue a press release disclosing the Board's decision and, if the resignation is not accepted by the Board, the reasons therefor. The nominee who tendered his or her resignation pursuant to LIORC's majority voting policy will not participate in any Nominating Committee or Board deliberations in considering the resignation. The Board will accept each resignation tendered in accordance with LIORC's majority voting policy absent exceptional circumstances. The proxy permits holders of common shares to vote in favour of all nominees, to vote in favour of some nominees and to withhold votes for other nominees, or to withhold votes for all nominees. The Chairman of the Board will ensure that the number of common shares voted in favour or withheld from voting for each nominee is recorded and promptly made public after the Meeting. If the vote is by a show of hands, LIORC will disclose the number of common shares voted by proxy in favour or withheld for each nominee.

The name, province and country of residence, office held, principal occupation, date of appointment and number of common shares owned, or over which control or direction is exercised, with respect to each of such nominees are as follows:

<u>Name and Residence</u>	<u>Office(s) Held</u>	<u>Principal Occupation</u>	<u>Director Since⁽⁴⁾</u>	<u>Number of Common Shares</u>
William J. Corcoran ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Non-executive Chairman of the Board and Chairman of Nominating Committee	Company director	1995	20,000
Mark J. Fuller ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Director	President and CEO of Ontario Pension Board, the administrator of the Ontario Public Service Pension Plan	2014	2,000
Duncan N.R. Jackman ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Director	Chairman, President and CEO of E-L Financial Corporation Limited, an investment and insurance holding company	2010	2,000
James C. McCartney Ontario, Canada	Executive Vice President, Secretary and Director	Company director; Retired partner of McCarthy Tétrault LLP, Barristers and Solicitors	1995	10,000
William H. McNeil Ontario, Canada	President and CEO and Director	President and CEO of LIORC	2015	1,000
Sandra L. Rosch Ontario, Canada	Executive Vice-President and Director	President, Stonecrest Capital Inc., a restructuring firm	2014	5,000
Patricia M. Volker ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Director	Company director	2014	1,000

Notes:

- (1) Member of Audit Committee.
- (2) Member of Compensation Committee.
- (3) Member of Nominating Committee.
- (4) Messrs. Corcoran and McCartney each served as a director of Labrador Mining Company Limited, a predecessor by amalgamation to LIORC, since the date shown opposite his name.

As at December 31, 2016, directors and officers of LIORC collectively beneficially owned, directly or indirectly, or exercised control and direction over an aggregate of 43,000 common shares, representing approximately 0.1% of the outstanding common shares. On March 3, 2016, the Board of Directors adopted a policy that requires each Director, including the CEO, to acquire and hold at least 5,000 common shares of LIORC prior to the later of March 3, 2020 and the fourth anniversary of the date the Director is elected and all of the Directors are in compliance with this policy. The value of each Director's holding, including the CEO's, is the market value. The directors of LIORC are also directors and officers of Hollinger-Hanna Limited. Mr. McNeil and Mr. Fuller serve as directors of IOC.

LIORC does not have an executive committee.

Also see LIORC's annual information form for the year ended December 31, 2016 for information about the Audit Committee, including a copy of its charter and information about independence, financial literacy, relevant education and experience of Audit Committee members.

Director Biographies

William J. Corcoran — Mr. Corcoran was Vice Chairman of Jarislowsky Fraser Limited, a registered investment counseling firm, from 2001 to 2015. He was Vice Chairman of the Ontario Pension Board from 1991

to 2001 and prior to that was a Managing Director of Scotia McLeod, an investment banking firm. He received a BA and a LLB from the University of Toronto.

Duncan N. R. Jackman — Mr. Jackman is Chairman, President and Chief Executive Officer of E-L Financial Corporation Limited, an investment and insurance holding company. He has been a director of E-L Financial Corporation Limited since 1997. He holds a BA from McGill University.

Mark J. Fuller — Mr. Fuller is President and Chief Executive Officer of Ontario Pension Board, the administrator of the Ontario Public Service Pension Plan. He joined the Ontario Pension Board in 1999. He received a LLB from the University of Western Ontario in 1983 and was called to the bar in Ontario in 1985.

James C. McCartney — Mr. McCartney is a retired partner of McCarthy Tétrault. He has extensive experience in the mining area. He served in various management roles at McCarthy Tétrault, including Chairman. He received a B.Comm. and a LLB from the University of Toronto, and was called to the bar in Ontario in 1966.

William H. McNeil — Mr. McNeil became President and CEO of LIORC on September 1, 2016. He was a Managing Director and Senior Mining Engineer of The Bank of Nova Scotia from 1995 to 2016. Mr. McNeil holds a MBA from the University of Western Ontario and a B.Sc. from Queen’s University.

Sandra L. Rosch — Ms. Rosch is President of Stonecrest Capital Inc., an independent Canadian restructuring firm. She has 33 years’ experience in financial restructuring, mergers and acquisitions and financing transactions. She was an investment banker with Scotia Capital Inc. from 1994 to 2001. She received a MBA from the University of Western Ontario and a B. Comm. from McMaster University.

Patricia M. Volker — Ms. Volker retired as Director, Public Accounting, Chartered Professional Accountants of Ontario on December 31, 2015. She served in various capacities in the accounting profession since 1997. Ms. Volker is a CPA, CA, CMA and holds a B.Sc. from the University of Toronto.

Nomination of Directors

The Nominating Committee reviews annually the composition of the Board of Directors and its committees, including the current strengths, skills and experiences of the Board. It also reviews the performance and attendance record of the incumbent Directors and the gender balance. The objective is to ensure the composition of the Board and its committees provides the appropriate mix of skills and experience to guide the strategy of LIORC. The Nominating Committee identifies any gaps in composition and seeks to fill those gaps. Qualities such as integrity, good character and high regard in his or her professional field will always be basic criteria for Directors.

Experience Matrix

LIORC maintains a skills matrix and the Directors indicate their experience in each area. The matrix below illustrates the Board’s mix of experience in five categories that are important to LIORC.

<u>Experience Description</u>	<u>No. of Directors with significant experience</u>
CEO/Senior Officer — experience working as a CEO or senior officer for a major organization	5
Governance/Board — experience as a board member of a major or public company organization	6
Mining — experience working in the mining industry	3
Strategy — experience driving strategic direction and leading growth of an organization . .	6
Financial/Risk — experience in financial accounting and reporting, corporate finance, internal controls and risk management	7

Appointment of Auditors

A resolution to appoint PricewaterhouseCoopers LLP as auditors of LIORC will be presented to holders of common shares at the Meeting. The persons named in the enclosed form of proxy, if not expressly directed to the contrary, will vote the common shares of LIORC represented by proxy for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of LIORC until the next annual meeting of holders of common shares at remuneration to be fixed by the Directors. PricewaterhouseCoopers LLP was first appointed on October 6, 2015.

Corporate Governance Matters

Disclosure regarding LIORC's corporate governance practices is set out in Appendix A to this Information Circular.

Additional Information

Additional information relating to LIORC is available on SEDAR at www.sedar.com. Additional information is also available on LIORC's website at www.labradorironore.com. Financial information is provided in LIORC's comparative financial statements and MD&A in its 2016 Annual Report. Holders of common shares may contact LIORC at 40 King Street West, Scotia Plaza, 26th Floor, Box 4085, Station "A", Toronto, Ontario M5W 2X6; telephone (416) 863-7133; email investor.relations@labradorironore.com to request copies of LIORC's financial statements and MD&A.

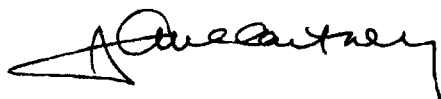
Shareholder Proposals for Next Year's Annual Meeting

The Canada Business Corporations Act permits certain eligible shareholders to submit shareholder proposals to LIORC for inclusion in a management proxy circular for an annual meeting of shareholders. The final date by which LIORC must receive shareholder proposals for the annual meeting to be held in fiscal 2018 is January 1, 2018.

Directors' Approval

The contents and sending of this Information Circular have been approved by the Directors of LIORC.

Dated the 22nd day of March, 2017.



James C. McCartney
Executive Vice President and Secretary

APPENDIX A
CORPORATE GOVERNANCE DISCLOSURE

Directors

- The Directors who are independent are William J. Corcoran, Duncan N.R. Jackman, Mark J. Fuller and Patricia M. Volker.
- William H. McNeil, James C. McCartney and Sandra L. Rosch are officers of LIORC and not considered to be independent.
- A majority of the Directors are independent.
- William J. Corcoran is also a director of E-L Financial Corporation. Mark J. Fuller is a director of The Empire Life Insurance Company. Duncan N.R. Jackman is Chairman, President and CEO and a director of E-L Financial Corporation Limited and is also a director of Algoma Central Corporation, Dream Office Real Estate Investment Trust, Dream Global Real Estate Investment Trust, Economic Investment Trust Limited, First National Financial LP and United Corporations Limited. James C. McCartney was a director of Campbell Resources Inc. until October 2008, and in January 2009 it filed under the *Companies' Creditors Arrangement Act* (Canada). Sandra L. Rosch is a director of Canada Development Investment Corporation. She was a director and chair of Cline Mining Corporation until July 2015 and it filed under CCAA in December 2014.
- The independent Directors meet separately at their discretion. They make up the Audit, Compensation and Nominating Committees. LIORC is a passive holder of interests in Iron Ore Company of Canada (IOC) and has no operating business. The main responsibility of the Directors is to supervise the receipt of revenues and the payment of dividends to holders of common shares. In these circumstances, LIORC does not require as much organization and structure as an operating company. All discussion, including discussion among the independent Directors, is open and candid. The Directors facilitate open and candid discussion among the independent Directors by asking non-independent Directors to recuse themselves from meetings in the event of any conflict or potential conflict of interest. The Audit Committee meets with LIORC's auditors at least once each year without management present.
- The Chairman of the Board is an independent Director. When present, he presides at all meetings of the Board of Directors and, in the absence of the President and CEO, at meetings of the shareholders.
- In 2016, 10 meetings of the Directors were held. All of the Directors attended all of the meetings. In 2016, six meetings of Committees of the Board were held and all members of the Committees attended all of the meetings.

Mandate

- The Directors have developed a written mandate which is attached as a Schedule hereto.

Position Descriptions

- The Directors have developed written descriptions of the responsibilities of the Chairman of the Board and the President and CEO. The chairmen of the committees are appointed under resolutions appointing the committees and their responsibilities are those usually applicable to the offices.

Orientation and Continuing Education

- Two of the Directors were initial Trustees when the predecessor Fund was established in 1995. Each of them underwent an initial education program. When Duncan N.R. Jackman, Mark J. Fuller, William H. McNeil, Sandra L. Rosch and Patricia M. Volker were first elected, they were provided with an orientation and education program regarding the role of the Board, its committees and its Directors and the nature of LIORC's business.

- The Directors receive confidential monthly reports on the operations of IOC and visit the mine and other facilities of IOC in many years.

Ethical Business Conduct

- The Directors have adopted a written code of conduct which is posted, together with the Mandate for the Board of Directors, on LIORC's website at www.labradorironore.com. The Board of Directors monitors compliance with the code as part of its ongoing responsibilities.

Nomination of Directors

- The Nominating Committee, made up of the independent Directors, is responsible for reviewing the performance and attendance record of the Directors annually and for selecting the nominees for election as Directors by the holders of common shares at each annual meeting. The Chairman of the Nominating Committee is the Chairman of the Board.

Compensation

- The Compensation Committee, made up of the independent Directors, determines the fees and other compensation for the Directors and the compensation for the officers. The Compensation Committee considers the responsibilities, risks and time commitments of the Directors and the officers. The Compensation Committee is responsible for reviewing the performance of the officers.

Assessments

- The Nominating Committee assesses the performance of the Directors during each year as part of the process of selecting nominees for election as Directors by the holders of common shares for the following year.

Director Term Limits

- The Directors are elected until the next annual meeting or until their successors are elected or appointed. There are no other term limits for Directors. The annual nomination and election process, including the annual review of the composition of the Board, is regarded by the Board as a sufficient mechanism of Board renewal.

Representation of Women on the Board and in Executive Officer Positions

- LIORC has an informal policy relating to the identification and nomination of women directors but does not currently have a written policy. The Nominating Committee actively considers gender balance matters in its annual review of the composition of the Board. The Nominating Committee discusses the level of representation by women on the Board at meetings held to identify and nominate candidates for election to the Board. If the Directors nominated in this Information Circular are elected at the Meeting, two of seven, or 29%, of the Directors will be women. In 2016, there were two women on the Board of Directors.
- LIORC has four executive officer positions, one of which (25%) is held by a woman. There are no women serving as executive officers of LIORC's wholly-owned subsidiary, Hollinger-Hanna Limited.
- LIORC has not adopted targets regarding the number of women on the Board or in executive officer positions. LIORC is a passive holding company and has no operating business. As a result, the numbers of directors and executive officers are relatively small and a target would not be meaningful.

SCHEDULE TO APPENDIX A
MANDATE FOR THE BOARD OF DIRECTORS

The board of directors of the Corporation (the “**Board**”) is elected by its shareholders and is responsible for managing, or supervising the management of, the investments and other business and affairs of the Corporation, including its subsidiary, Hollinger-Hanna Limited, and their holdings of a 7% gross overriding royalty on all products sold, delivered and shipped by Iron Ore Company of Canada (“**IOC**”), a 15.1% equity interest in IOC and a 10 cent per tonne fee on all products sold and shipped by IOC.

The Corporation is a passive holder of interests in IOC and has no operating business. The most important activity of the Board is supervising the receipt of revenues and the payment of dividends to the holders of its common shares. In these circumstances, the Corporation does not require as much organization and structure as an operating company. Accordingly, the numbers of its directors and officers are small. The Board has appointed Scotia Managed Companies Administration Inc. as administrator of the Corporation and its subsidiary, subject to the supervision of the Board and the officers of the Corporation.

The Board discharges its responsibilities directly and through committees, including an Audit Committee, Compensation Committee and Nominating Committee. In addition to the Board’s primary responsibility of managing, or supervising the management of, the business and affairs of the Corporation, including the management of the investments of the Corporation, its responsibilities include, but are not limited to, the following:

General

1. The Board has the responsibility to manage, or to supervise the management of, the business and affairs of the Corporation, to approve policies of the Corporation and to review and approve major decisions taken by the Corporation. The stewardship of the Corporation involves the Board in strategic planning, identification of principal risks and ensuring implementation of appropriate systems to manage those risks, management appointments, succession planning and internal control integrity.

Oversight of Officers

2. The Board has the responsibility for approving the appointment of the officers of the Corporation and satisfying itself as to the integrity of the officers.
3. The Board has delegated authority to the President and Chief Executive Officer for the overall management of the Corporation, including operations to ensure the long term success of the Corporation and to maximize shareholder value.
4. The Board may from time to time delegate authority to the officers, subject to specified limits. Matters which are outside the scope of the authority delegated to the officers and material transactions are reviewed by and subject to the prior approval of the Board. The Board is responsible for the Corporation’s approach to corporate governance.

Board Organization

5. The Board has the responsibility for developing and monitoring corporate governance principles and guidelines, the selection of the Chairman, the selection of nominees for election to the Board, orientation of new directors, committee and committee chair appointments, committee charters and director’s compensation.
6. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the directors and management, the conduct of performance evaluations and oversight of internal controls systems and disclosure controls and procedures, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.
7. All Board committees will consist only of independent directors.

8. Each member of a Board committee will hold office until the next annual meeting of shareholders after the member's appointment, except that any member of a committee may be removed at any time by the Board and will cease to be a member upon ceasing to be a director. The Board may fill vacancies on any committee by appointment from among its members. If and when a vacancy exists on a committee, the remaining members of the committee may exercise all of its powers and discharge all of its duties as long as a quorum remains in office.
9. The Board will appoint one of the members of a committee to be chairman of the committee. The Secretary of the Corporation will be secretary of the committee. A committee must keep minutes of its meetings in which all action taken by it is recorded. Minutes will be made available to the directors.
10. Unless otherwise provided by the Board, meetings of a committee may be held at such place, on such day and at such time as the chairman of the committee determines. Notice of a meeting will be given to each member of a committee at least 48 hours before the time when the meeting is to be held, unless all members of the committee otherwise consent. At all meetings of a committee every question will be decided by a majority of the votes cast on the question, and in the case of an equality of votes the chairman of the meeting will not be entitled to a second or casting vote.

Monitoring of Financial Performance and Other Financial Reporting Matters

11. The Board is responsible for exercising the powers and authorities set out in the articles and by-laws of the Corporation.
12. The Board is responsible for approving the audited and unaudited financial statements of the Corporation and the notes thereto and the related Management's Discussion and Analysis.
13. The Board is responsible for reviewing and approving material transactions involving the Corporation and/or its subsidiaries.

Policies and Procedures

14. The Board is responsible for:
 - (a) approving and monitoring compliance with all significant policies and procedures under which the Corporation is operated;
 - (b) approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
 - (c) enforcing obligations of the Corporation respecting confidential treatment of the Corporation's proprietary information and Board deliberations.

Communications and Reporting

15. The Board is responsible for:
 - (a) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
 - (b) overseeing the reporting of financial results, fairly and in accordance with generally accepted accounting principles and related legal disclosure requirements;
 - (c) overseeing the integrity of the internal control and management information systems of the Corporation;
 - (d) overseeing the evaluation of the disclosure controls and procedures of the Corporation;
 - (e) overseeing the timely disclosure of any other developments that have a significant and material impact on the Corporation;
 - (f) reporting annually to shareholders on its stewardship for the preceding year; and
 - (g) overseeing the investor relations and communications strategy of the Corporation.

LABRADOR IRON ORE
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