

LABRADOR IRON ORE ROYALTY INCOME FUND

P R E S S R E L E A S E

LABRADOR IRON ORE ROYALTY INCOME FUND ANNOUNCES FILING OF ARTICLES OF ARRANGEMENT

Toronto, June 30, 2010

Labrador Iron Ore Royalty Income Fund (LIF.UN) is pleased to announce that Articles of Arrangement and other documents were filed today with the Director under the *Canada Business Corporations Act* and a Certificate of Arrangement was issued in connection with the conversion of the Fund into a corporation named “Labrador Iron Ore Royalty Corporation”.

All of the required transaction documentation has been executed and delivered. The Fund will distribute \$248 million of subordinated notes to unitholders and unitholders will be able to exchange their units for shares of Labrador Iron Ore Royalty Corporation. From July 1, 2010, the common shares of Labrador Iron Ore Royalty Corporation and the subordinated notes will trade together as stapled units on the Toronto Stock Exchange. The unitholders will continue to receive a quarterly distribution on the 25th day of the month following the end of each quarter.

The Fund has been unable to obtain an advance tax ruling from the Canada Revenue Agency but has received an opinion from its counsel confirming the material tax consequences of the Arrangement.

For further information, please contact:

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