

LABRADOR IRON ORE

ROYALTY CORPORATION

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Institutional Shareholder Services
ISS Corporate Solutions
702 King Farm Boulevard, Suite 400
Rockville, MD 20850, U.S.A.

Dear Sirs:

Response of the Labrador Iron Ore Royalty Corporation to the ISS Request for Comments

Labrador Iron Ore Royalty Corporation ("LIORC") wishes to provide comments on the potential updates to the ISS benchmark voting policy for 2018.

LIORC is a TSX listed company with a market capitalization of \$1.3 billion. LIORC is a passive holder of interests in Iron Ore Company of Canada ("IOC"). LIORC receives a gross sales royalty and has a 15.1% equity interest in IOC. LIORC has no other investments and the income received is largely paid out in dividends to its shareholders. LIORC has no operating employees. The LIORC board consists of seven directors – four of whom are independent and two of whom are women. Our directors all have excellent attendance records. LIORC does have very experienced directors on the board at present, but under the proposed ISS changes, an extremely experienced independent director could be considered to be overboarded.

LIORC considers that director attendance is an objective and appropriate measure of whether a director is overboarded. We recommend that ISS keep the attendance criterion as is. The proposed change to remove this criterion is unnecessary and unfairly penalizes small capitalization issuers. LIORC and its shareholders benefit from retaining a director with CEO experience and extensive public company board experience. We do not consider that the proposed change in overboarding is in the best interests of LIORC's shareholders.

In the event that ISS proceeds to implement the proposed change in overboarding, we request that the implementation period be extended to at least three years. We rely on our independent and experienced CEO director to provide continued oversight and foresight. If withhold votes on this director are affected by the ISS recommendations, as is very likely, then our experienced CEO director could resign from our board. We are concerned that a one-year transition period will spark serious competition for experienced directors, which could penalize small capitalization firms.

On a related point, we don't think memberships on boards of controlled subsidiaries should be counted for a CEO of a holding company. In substantial measure, it would be double counting the time commitment of the CEO.

In summary, LIORC considers that the one-size fits all approach that is being proposed on overboarding is not appropriate. LIORC considers that attendance is an indication of the availability and dedication of director and the 75% attendance criterion, as in effect at present, should be retained. LIORC believes that ISS should exempt CEO directors from adverse voting recommendations at controlled subsidiary boards.

LIORC has no comments on the other proposed policy changes being considered by ISS for Canadian issuers. We do have strong views on the proposed overboarding policy changes and we will make our views known to our major shareholders.

Respectfully submitted on behalf of the Directors of the Labrador Iron Ore Royalty Corporation



James C. McCartney
Executive Vice President and Secretary
Labrador Iron Ore Royalty Corporation