# Labrador Iron Ore Royalty Corporation Adopts Shareholder Rights Plan

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TORONTO, April 18, 2018 /CNW/ - Labrador Iron Ore Royalty Corp. ("LIORC") (TSX: LIF) announces that its Board of Directors (the "Board") has adopted a shareholder rights plan (the "Rights Plan"). The Rights Plan is similar to shareholder rights plans adopted by other Canadian public companies and LIORC believes it is consistent with certain published institutional investor guidelines. The Rights Plan was not adopted in response to or in contemplation of any known take-over bid or other similar transaction. Neither management of LIORC nor the Board is aware of any pending, threatened or proposed acquisition or take-over bid for LIORC. The Rights Plan is not intended to prevent take-over bids.

To qualify as a "Permitted Bid" under the Rights Plan, a take-over bid must be made by a bidder by way of a take-over bid circular pursuant to and in compliance with National Instrument 62-104 – Take-Over Bids and Issuer Bids and the take-over bid must be made to all holders of common shares, other than the bidder.

Under the Rights Plan, LIORC will issue (a) one right (a "Right") for no consideration in respect of each outstanding common share of LIORC to all holders of record at the close of business on April 18, 2018 (the "Effective Date") and (b) one Right (which will be represented by the common share certificates until the Rights become exercisable) in respect of each additional common share issued after the Effective Date during the term of the Rights Plan. Subject to the terms of the Rights Plan and to certain exceptions provided therein, the Rights will become exercisable (other than by an acquiring person or its joint actors) to acquire common shares at a substantial discount to market value in the event any person, together with joint actors, acquires or announces its intention to acquire 20% or more of LIORC's outstanding common shares without complying with the "Permitted Bid" provisions of the Rights Plan or without the Rights Plan being waived in accordance with its terms.

The Rights Plan has been accepted for filing by the Toronto Stock Exchange, subject to shareholder ratification. LIORC is seeking shareholder approval and ratification of the Rights Plan (and approval of an amendment to LIORC's articles to permit the issuance of common shares upon the exercise of Rights) at its upcoming annual and special meeting of shareholders to be held on May 16, 2018. The foregoing description of the Rights Plan is qualified in its entirety by the full text of the Rights Plan, a copy of which is available under LIORC's profile on SEDAR at www.sedar.com and on LIORC's website at www.labradorironore.com.

SOURCE Labrador Iron Ore Royalty Corp.

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