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CIRCULAR December 23, 2013

FINAL CONTRACT ADJUSTMENT Labrador Iron Ore Royalty Corp. (LIF) Special Cash Dividend

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF <u>CANADIAN</u> <u>DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL</u> <u>INC. (THE BOURSE) APPROVED PARTICIPANTS.</u> THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.

The Bourse and CDCC wish to inform you that The Labrador Iron Ore Royalty Corp. ("Labrador") announced on December 11, 2013 that its Board of Directors declared a special dividend of C\$0.50 per share (the "Special Dividend") to its shareholders. This dividend is payable on January 25, 2014 to participating shareholders of record at the close of business on December 31, 2013. The ex-dividend date is December 27, 2013.

The Bourse and CDCC will take into account the special dividend by adjusting the strike prices of Labrador Iron Ore Royalty Corp. (LIF) options, by an amount equivalent to the special dividend that is C\$0.50.

Special Dividend - Adjustment Details:

۶	EX-DATE:	December 27, 2013
۶	RECORD DATE:	December 31, 2013
\triangleright	PAYABLE DATE:	January 25, 2014

CDCC - Adjustment Details:

According to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all Labrador Iron Ore Royalty Corp. (LIF) options will be adjusted as follows:

- **EFFECTIVE DATE:** December 27, 2013
- OPTIONS SYMBOL: Unchanged
- <u>NUMBER OF CONTRACTS:</u> Unchanged
- MULTIPLIER: Unchanged

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	<u>DELIVERABLE PER</u> <u>CONTRACT:</u>	100 common shares of LIF
۶	POSITION AND EXERCISE LIMITS:	Position and exercise limits will remain 50 000 contracts.
	CUSIP:	Unchanged
	STRIKE PRICES:	An adjustment of C\$0.50 will be made for all existing series.

Bourse de Montréal Inc. - Adjustment Details:

It is important to note that on the effective date mentioned above, all open orders on this option class <u>will not be</u> <u>automatically modified</u> to reflect the change and will therefore have to <u>be re-entered</u> into the Montreal Automated System (SAM) by the approved participants.

At the opening of business on December 27, 2013, the strike prices for LIF series will be adjusted as indicated below.

Labrador Iron Ore Royalty Corporation				
Symbol	Actual Strike Prices	New Strike Prices after the special dividend		
LIF	\$27.00	\$26.50		
LIF	\$28.00	\$27.50		
LIF	\$29.00	\$28.50		
LIF	\$30.00	\$29.50		
LIF	\$32.00	\$31.50		
LIF	\$33.00	\$32.50		
LIF	\$34.00	\$33.50		
LIF	\$35.00	\$34.50		
LIF	\$36.00	\$35.50		
LIF	\$38.00	\$37.50		

The above table may not reflect all listed series due to market fluctuations.

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact Louise Leclair, Trading Systems Analyst, Market Operations, Bourse de Montréal Inc. at (514) 871-3526. CDCC clearing members may contact the Member Services Department.

Claude Cyr Senior Vice-President, Financial Markets, Financial Markets

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