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## LABRADOR IRON MINES REPORTS SECOND QUARTER SEPTEMBER 30, 2019 RESULTS

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Toronto, Ontario, Canada, November 28, 2019. **Labrador Iron Mines Holdings Limited** (“LIM” or the “Company”) (OTC: LBRMF) reports its financial results for its second fiscal quarter ended September 30, 2019.

This News Release should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and Management’s Discussion and Analysis (“MD&A”) for the three and six months ended September 30, 2019, which are available on the Company’s website at [www.labradorironmines.ca](http://www.labradorironmines.ca) or under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

All currency references in this news release are expressed in Canadian dollars, unless otherwise indicated.

### OVERVIEW

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LIM continues to conduct a variety of necessary operational activities with the objective of preserving its assets, maintaining its mineral properties on a standby basis and fulfilling environmental and regulatory obligations, which principally relate to rehabilitation of the former James Mine and related infrastructure.

The iron ore market in the first half of 2019 was characterized by significant supply disruptions, particularly in Brazil and Australia, which caused a rapid rise in the iron ore price. After beginning 2019 at US\$70 per tonne (62% Fe CFR China basis), the price rose to a 5 year high of US\$126/tonne in early July, before facing headwinds. The price has subsequently come back to the US\$80-US\$90/tonne range, where it is expected to remain for the balance of 2019.

Development of Houston, which is planned as LIM’s next direct shipping ore (DSO) project, is subject to the availability of development financing, and securing such development financing requires market confidence that an improved level of iron ore prices will be sustained.

### OPERATIONS UPDATE

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LIM has not undertaken mining operations since 2013, primarily due to generally unfavourable iron ore market conditions during that time. The Company has, however, continued to maintain its properties on a stand-by care and maintenance basis and also continues to conduct the expenditures required to maintain its mineral claims in good standing, although a number of non-core mineral claims have been dropped or surrendered.

#### *Rehabilitation*

In the fall of 2019 LIM substantially completed the rehabilitation of the former James mine and Silver Yards plant site. The fall 2019 rehabilitation program consisted of dismantling and removing LIM’s wet processing plant which was previously used to process ore from the James mine, but is not planned to be used for Houston. LIM contracted a Montreal-based demolition/recycling firm to complete the project, under the supervision of on-site LIM management. Following demolition, approximately 1,500 tonnes of structural steel and scrap metal were transported from site by rail and recycled, with the proceeds subsidizing the project costs.

Nearby service buildings were also dismantled and all remaining debris (wood, concrete, etc.) from the surrounding area was removed and disposed.

Based on a site inspection performed after completion of the fall 2019 program, LIM expects the release of approximately \$500,000 of restricted cash set aside as financial assurance for such rehabilitation. Such released restricted cash is expected to substantially cover the costs incurred in the fall program.

### ***Exploration***

In the summer of 2019, LIM conducted a field exploration program on 13 of its mineral licences located in Labrador. This was the first exploration program undertaken in a number of years.

The objectives of this exploration program were to:

- maintain LIM's mineral licences in good standing;
- examine potential extensions to known mineralization;
- evaluate extensions to existing open pit mines adjacent to LIM mineral licences; and
- identify the potential for buried DSO iron ore deposits in areas of glacial till cover.

Although LIM holds extensive iron ore resources in a number of different deposits, many of these are relatively small (except Houston which is estimated to contain 40 million tonnes). On the other hand, LIM previously held the Howse deposit, which LIM sold in two steps to Tata Steel Minerals Canada ("TSMC") in 2013 and 2015 for a total of \$35 million.

Howse is a large, high grade, DSO deposit, now estimated by TSMC at 46 million tonnes but, unique for the Schefferville area, is completely covered by overburden, unlike all of LIM's other deposits which have surface expression. LIM is particularly interested in continuing exploration on LIM's extensive mineral claims for other buried deposits similar to Howse in size and grade.

Previous exploration programs completed by LIM in earlier years suggest a strong correlation of rare earth elements (REE) and selected trace elements between bedrock and some soil sample media. In order to more fully evaluate the significance of this information, detailed sampling was undertaken over a variety of topographic and geological settings to verify the statistical/economic effectiveness of this type of investigation for future exploration programs.

Closely spaced rock and soil samples were collected along selected lines on various mineral licences. Rock samples, including taconite and red, yellow and blue ores, in addition to other non-ore lithologies, were prepared for both petrographic examination and whole rock and trace element/REE geochemistry. Soil samples were categorized by colour and prepared for trace element and REE geochemistry at certified commercial labs. In addition, screened oversize pebbles in selected soil samples were subjected to both physical identification and litho-geochemistry where pebble content was mostly monolithic.

The summer 2019 exploration program was further intended to draw on LIM's geological information, drilling results, test pit and trench data to enhance the predictability of finding new high-grade mineralization buried below glacial till cover.

More than 350 soil samples, over 100 rock samples and numerous glacial till samples were collected and sent to various labs for geochemistry, petrographic preparation, and till heavy mineral and morphological identification. All samples are currently being prepared for laboratory analyses with results expected before the end of calendar 2019.

### ***Near-Term Focus***

Development of the Houston Project, which is planned as LIM's next DSO project, is subject to the availability of development financing, and securing such development financing requires market confidence that an improved level of iron ore prices will be sustained. Some uncertainty, however, exists about the iron ore market in 2020 and beyond. LIM will continue to monitor iron ore market conditions as they relate to the availability of development financing.

From a corporate perspective, LIM has significantly reduced corporate overhead and while reducing its ongoing costs significantly, is cognizant that its operations will need to be funded on a care and maintenance basis. The Company is funding its ongoing site standby and general corporate and administrative activities from the proceeds of sale of surplus non-core assets and the release of restricted cash.

In October 2019 LIM completed the sale of its site accommodation camp and the purchaser has agreed to take on responsibility for future site reclamation obligations in place of LIM. The purchaser intends to renovate the camp and recommence operation of the camp to service the accommodation needs of the mining industry in the area, including potentially LIM in the future. As a result of the sale LIM was relieved of the camp upkeep, security, and insurance obligations.

LIM owns the Centre Ferro railway maintenance shop in Sept-Iles, Quebec and continues to rent this railcar facility to third party customers, which covers Centre Ferro's operating costs. In the meantime, LIM continues to advance the potential sale of the property. Completion of the sale of Centre Ferro is a near-term priority for LIM.

### **IRON ORE PROJECTS**

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LIM's Schefferville Projects now consist of the Houston property and, subject to further exploration and development, other iron ore properties in the vicinity of Schefferville, including the Elizabeth taconite deposit.

Houston, which is LIM's principal asset, is situated in Labrador about 25 kilometres southeast of the town of Schefferville, Quebec. Together with the Malcolm deposit, considered to be its northwest extension, Houston is estimated to contain a NI 43-101 resource of 40.6 million tonnes of direct shipping ore (DSO) grading 57.6% Fe.

The Houston development plan is based on lower-cost dry crushing and screening only. When in full production, Houston is expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of about 10 years.

LIM also holds the Elizabeth Taconite Project ("Elizabeth"), which has an inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe.

The proposed mining method for Elizabeth has been conceptualized as an open pit operating at 18 million tonnes per year producing approximately 5 million tonnes per year concentrate production over an expected 34-year mine life and with an expected grade of higher than 68% Fe, which would attract premium pricing in today's iron ore market. Over the projected life of mine, total production would be approximately 172 million tonnes of iron ore concentrate.

Elizabeth is located in northwestern Labrador approximately four kilometres west of LIM's former James Mine and is advantageously situated with direct access to existing roads, rail bed and power line corridor. The initial Elizabeth target measures approximately four km long and is made of magnetite and hematite dominant zones. There is significant potential for resource expansion as the deposit remains open along strike to the northwest and southeast.

## FINANCIAL RESULTS – QUARTER ENDED SEPTEMBER 30, 2019

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The Company, through its majority owned subsidiaries Labrador Iron Mines Limited and Schefferville Mines Inc., is engaged in the exploration and development of iron ore projects in the central part of the Labrador Trough region, one of the major iron ore producing regions in the world, situated in the Menihek area in the Province of Newfoundland and Labrador and in the Province of Quebec, centered near the town of Schefferville, Quebec.

The former James Mine and the Silver Yards processing facility have been in a progressive reclamation stage since 2014. The Company did not conduct any mining activities during the quarter ended September 30, 2019. Rather, the Company's focus was on activities required to maintain its mineral properties in good standing, including site reclamation and exploration activities, and controlling costs. The Company made no capital expenditures on property, plant and equipment on its mining properties during the quarter ended September 30, 2019.

On a consolidated basis, the Company reported a net loss of \$0.4 million, or \$0.00 per share during the quarter ended September 30, 2019, compared to net income of \$0.1 million, or \$0.00 per share, during the same quarter of the previous year.

The net loss of \$0.4 million in the current quarter was attributable to site costs of \$0.2 million and corporate and administrative costs of \$0.2 million. Net income of \$0.1 million in the same quarter of the previous year was attributable to site costs of \$0.15 million and corporate and administrative costs of \$0.2 million, offset by a gain of \$0.45 million on the sale of property and equipment.

Site expenditures during the current quarter consisted mainly of mineral property rental payments and costs related to exploration activities. Site expenditures during the same quarter of the previous year consisted mainly of mineral property rental payments and oversight of site standby activities, but did not include exploration activities. The Company's environmental monitoring requirements, which consisted of monitoring water quality and fish habitat conditions in the lakes and tributaries surrounding the James Mine, concluded at the end of June 2018. Site costs in both the current quarter and the same quarter of the previous year were partly offset by third party income earned by the Company at its rail car repair facility in Sept-Iles, Quebec.

Corporate and administrative costs continue to decline, reflecting a reduction in staff levels and a continuing rationalization of office space and related costs.

At September 30, 2019 the Company had a working capital deficit of \$0.51 million and no long term debt. The Company had current assets of \$0.61 million, consisting of \$0.04 million in unrestricted cash, \$0.06 million in accounts receivable and \$0.50 million in assets held for sale. As at September 30, 2019, the Company also held \$1.91 million in non-current restricted cash. LIM made no capital expenditures on property, plant and equipment or its mining properties during the quarter and LIM continues to conduct the expenditures required to maintain its mineral claims in good standing.

## OUTSTANDING SHARE CAPITAL

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The Company currently has 162,364,427 common shares issued and outstanding.

The common shares of the Company trade on the OTC Pink Open Market under symbol LBRMF. The Company is taking the necessary steps to upgrade to the "Current" tier of the OTC Pink Open Market and, subject to OTC Markets approval, the expected timing of this upgrade is in the coming month.

The Company continues in good standing as a Reporting Issuer in all the Provinces of Canada, and in compliance with all of the requirements of the Securities Acts and Securities Regulations in Canada. All public filings of the Company may be inspected under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

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Labrador Iron Mines is engaged in the exploration and development of its iron ore deposits located in the Schefferville/Menihek region of the prolific Labrador Trough. In the three-year period of 2011, 2012 and 2013 LIM produced a total of 3.6 million dry metric tonnes of iron ore, all of which was sold in 23 cape-size shipments into the China spot market.

LIM's current focus is on care and maintenance of the Company's mineral properties and assets along with planning activities related to Houston Project development. Subject to securing development financing, LIM is positioned to resume mining operations when economic conditions warrant.

For further information, please visit LIM's website at [www.labradorironmines.ca](http://www.labradorironmines.ca) or contact:

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### Cautionary Statements:

*The terms "iron ore" and "ore" in this document are used in a descriptive sense and should not be considered as representing current economic viability. A Feasibility Study has not been conducted on any of the Company's Schefferville Projects.*

### Forward Looking Statement:

*Some of the statements contained in this News Release may be forward-looking statements which involve known and unknown risks and uncertainties relating to, but not limited to, LIM's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties and assumptions regarding financing. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, delays in obtaining or failures to obtain required financing, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, delays in the development of projects, changes in exchange rates, fluctuations in commodity prices, inflation and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. There can be no assurance that LIM will be successful in maintaining any agreement with any First Nations groups who may assert aboriginal rights or may have a claim which affects LIM's properties or may be impacted by the Schefferville Projects. Shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. LIM undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*