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## **LIM Completes \$29 Million Equity Financing**

### **Over-allotment option exercised in full**

TORONTO, ONTARIO. February 13, 2013. **Labrador Iron Mines Holdings Limited** (“LIM” or the “Company”) (TSX:LIM) announces that it has completed its previously announced public offering (the “Offering”), including the full amount of the over-allotment option, for aggregate gross proceeds of C\$28,980,000.

A total of 27,600,000 units of the Company (the “Units”), including those issued pursuant to the exercise of the over-allotment option, were issued and sold at a price of C\$1.05 per Unit (the “Offering Price”). Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at an exercise price of C\$1.35 per common share for a period of 36 months following the date of closing of the Offering. The warrants have been listed on the Toronto Stock Exchange and will trade under the symbol LIM.WT.

The Offering was completed by a syndicate of underwriters led by Canaccord Genuity Corp. and included RBC Dominion Securities Inc., Scotia Capital Inc., Macquarie Capital Markets Canada Ltd., Jennings Capital Inc. and Raymond James Ltd. (collectively, the “Underwriters”).

The Company intends to use the net proceeds from the Offering to fund pre-stripping, mining, and processing costs, including payments to LIM’s mining contractors, and transportation costs in connection with the seasonal resumption of production operations in April 2013; and to supplement working capital and general and administrative costs for the remaining winter season.

The Company issued 27,600,000 common shares pursuant to the Offering and now has 126,200,807 common shares outstanding after giving effect to the Offering.

The Offering was made pursuant to a short form prospectus filed in each of the provinces of Canada other than Quebec.

*This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.*

## About Labrador Iron Mines Holdings Limited (LIM)

Labrador Iron Mines (LIM) is Canada's newest iron ore producer with a portfolio of direct shipping (DSO) iron ore operations and projects located in the prolific Labrador Trough. Initial production commenced at the James Mine in June 2011, with the sale of 386,000 dry tonnes of iron ore recorded in the first start-up year. The first full production season commenced in April 2012 and LIM sold ten shipments totalling approximately 1.6 million dry tonnes of iron ore. The tenth shipment was sold at the end of November and contained 103,000 dry tonnes of iron ore.

The James Mine is connected by a direct rail link to the Port of Sept-Îles, Québec. The project also benefits from established infrastructure including the town, airport hydro power and railway service. Starting with the James Mine and leading to the development of the expanding Houston flagship project, our objective is to provide shareholders with long-term value with a plan to increase production towards 5 million tonnes per year from a portfolio of 20 iron ore deposits in Labrador and Quebec, all within 50 kilometres of the town of Schefferville.

LIM is currently the only independently-owned Canadian iron ore producer listed on the Toronto Stock Exchange and trades under the symbol LIM.

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

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### **Cautionary Statements:**

*Some of the statements contained in this Press Release may be forward-looking statements which involve known and unknown risks and uncertainties relating to, but not limited to, the Company'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. 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, 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 the Company will be successful in maintaining any agreement with any First Nations groups who may assert aboriginal rights or may have a claim which affects the Company'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. The Company 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.*