LABRADOR IRON MINES HOLDINGS LIMITED

News Release

LABRADOR IRON MINES REPORTS THIRD QUARTER RESULTS

Requirement for Refinancing and Restructuring

Voluntary Delisting from the TSX

Toronto, Ontario, February 13, 2015. **Labrador Iron Mines Holdings Limited** ("LIM" or the "Company") today reports its operating and financial results for the third quarter and nine months ended December 31, 2014. Full details of the results can be found in the Company's Management's Discussion and Analysis and unaudited Financial Statements for the quarter and nine months ended December 31, 2014.

Fiscal Third Quarter Overview

- LIM did not undertake any mining operations and did not recognize any revenue during the quarter or nine months ended December 31, 2014.
- For the fiscal third quarter, LIM reported a net loss of $3.0 million, or $0.02 per share.
- At December 31, 2014, LIM had a very significant working capital deficit and had not met certain financial obligations. LIM needs to secure additional financing and complete a financial restructuring in order to continue as a going concern.
- LIM's current focus is, and for the immediate future will be, seeking additional financing and a restructuring. LIM is considering various strategic options including potentially proposing a restructuring arrangement under the applicable legislation of either the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act.
- LIM is currently negotiating a potential support arrangement with RBRG Gerald Metals that, if successfully entered into, is expected to provide working capital financing on a debtor-in-possession basis to fund LIM's ongoing corporate and standby activities and, as a separate component, potential future project development financing.
- LIM continues to work on the development of the Houston Mine and advancement of the Howse Project. An NI 43-101 compliant mineral resource estimate and Feasibility Study for the Howse Project are expected to be completed in the summer of 2015.
- Since the beginning of 2014, the price for 62% Fe iron ore has declined more than 50% to approximately US$60 per tonne recently, compared to an average price of US$135 per tonne in 2013 (62% Fe fines on a CFR China basis). The immediate outlook for the price of iron ore is uncertain.

CORPORATE DEVELOPMENT UPDATE

Requirement for Refinancing and Restructuring

At December 31, 2014, LIM had a working capital deficit of $62.2 million compared to a working capital deficit of $8.7 million at March 31, 2014. Current liabilities, consisting of accounts payable and accrued liabilities, finance lease obligations, rehabilitation provisions, a rail construction advance and deferred revenue, were in aggregate $65.7 million. At December 31, 2014, LIM had a deferred revenue liability of US$20.6 million to RBRG Gerald Metals, secured by a charge on certain stockpiles, but had no current or long-term bank debt.

As at December 31, 2014, LIM had current assets of $3.5 million, consisting of $2.1 million in unrestricted cash and cash equivalents, inventories of $0.1 million and accounts receivable and prepaid expenses of $1.3 million.

LIM needs to secure additional financing and complete a financial restructuring in the near term in order to continue as a going concern. LIM is currently negotiating a potential support arrangement with RBRG Gerald Metals, an existing creditor and offtake customer, that, if successfully entered into, is expected to provide working capital financing on a debtor-in-possession basis to fund LIM's ongoing corporate and standby activities and, as a separate component, potential future project development financing. The conditions of this potential support arrangement and potential financing would include a requirement for LIM to restructure its existing liabilities, by means of a plan of arrangement, and to successfully negotiate more favourable commercial terms of major supply and service contracts and to suspend or defer commitments that have or otherwise would come due.

There are no assurances that LIM will be successful in completing this potential support arrangement with RBRG Gerald Metals or in successfully meeting the conditions thereof.

If LIM is unable to successfully conclude negotiations with RBRG Gerald Metals to provide working capital financing on terms acceptable to the Company in the very near term, LIM will seek to complete an alternative restructuring and financing under either the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act.

Subject to LIM concluding this potential support arrangement and RBRG Gerald Metals providing the contemplated working capital financing, LIM believes it will secure sufficient working capital to operate over the next 12 months and continue as a going concern.

If LIM is unable to complete a financial restructuring and obtain adequate additional financing or liquidity in the immediate term, whether with RBRG Gerald Metals or through other arrangements, LIM will be required to curtail all its operations and activities and may be required to conduct a sales process to liquidate its assets.

There are no assurances that LIM will be successful in obtaining any required financing, or in obtaining financing on a timely basis, or on reasonable or acceptable terms, or at all. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis, which would differ from the going concern basis.

Lower Cost Structure – Re-negotiation of Commercial Terms of Major Contracts

To be able to operate economically in the current iron ore market environment, iron ore projects in Canada, including LIM's Schefferville Projects, will need to reduce costs to be competitive. To compete globally with the rest of the world, it will be necessary to bring down costs of Canadian iron ore production.

LIM is pursuing longer term strategic initiatives aimed at necessary permanent structural reductions in operating costs and revenue deductions. These include: focusing on dry processing only for its DSO projects, maintaining product quality, improving recoveries, alternative port arrangements at Sept-Îles, sharing facilities with other companies and developing alternative destination markets with lower freight costs for LIM's products.

In response to weak market conditions, hard decisions have been taken to preserve the long-term future of LIM's iron ore assets and operations. Major reductions in staff levels and compensation have been implemented and directors' fees have been waived. All non-essential capital expenditure has been deferred and no significant exploration or development activity is currently being undertaken, other than on the Howse project which is currently fully funded by Tata Steel Minerals Canada ("TSMC").

LIM is currently seeking to negotiate revised commercial terms with its major contractors and suppliers. Operating cost saving initiatives are required across the board, including with respect to mining costs, rail transportation, fuel procurement, aviation services, hydro-electric power, human resources and manpower and corporate and administration costs. However, although such savings are considered essential to ensure the longer term economic viability of LIM's operations, there can be no guarantee that these strategic initiatives will be concluded successfully on a timely basis.

Voluntary Delisting from the TSX

LIM anticipates that due to its financial condition it will no longer meet the minimum continuing listing criteria of the Toronto Stock Exchange (the "TSX"). Accordingly, to save the substantial listing costs associated with a TSX listing and to maintain restructuring flexibility, LIM has filed an application to voluntarily delist its shares and warrants from the TSX, effective immediately. LIM intends to seek a new stock exchange listing on either the TSX or an alternative stock exchange at the appropriate time.

OPERATIONS SUMMARY

LIM did not conduct any mining, processing or railing activities during the quarter or nine months ended December 31, 2014. LIM's focus during the quarter was on corporate activities related to seeking additional capital investment and working capital and negotiating the commercial terms of major service and supply contracts and planning activities related to Houston Mine development.

Houston Project

LIM is currently focused on developing the Houston Project, to be in a position to begin mining production from Houston when market conditions permit, subject to completion of financing and negotiation of major contracts.

The development plan for Houston is relatively simple. The major component consists of constructing an 8 km gravel road, including a bridge over a river crossing. The new road will connect to an existing road located near Redmond Mine, which leads to the Silver Yards facility. The overall one-way distance by road from Houston to Silver Yards is approximately 20 km. Including initial mine development, the initial capital investment to develop the Houston Mine is expected to be approximately $20 million.

When in full production, the Houston-Malcolm deposits are expected to produce consistent saleable product of about 2 to 3 million tonnes per year, with an initial mine life of 8 to 10 years.

Joint Venture with Tata Steel Minerals Canada (TSMC) to Develop the Howse Deposit

LIM's $5.0 million Howse exploration program was completed in late 2014 and comprised 19 drill holes: six diamond drill holes and 13 reverse circulation holes totaling 2,014 metres ("m"). Of the 19 holes drilled, 17 holes returned ore-type intersections, with consistent results over the entire area drilled. Of note, hole HW-DD14-05 returned 84.1 m grading 65.9% Fe and HW-DD13-01A returned 79.5 m grading 64.52% Fe (cut-off grade of 58.0% Fe), demonstrating significant widths of high-grade direct shipping hematite mineralization.

Roscoe Postle and Associates have been commissioned to complete an independent resource estimate and an engineering consulting firm will be chosen in the near future to complete a Feasibility Study in the summer of 2015. An independent NI 43-101 Technical Report is expected to be completed at the same time.

An environmental assessment process on the Howse Deposit is also advancing, designed to support a production decision. Project Registration Notices were submitted to the provincial and federal governments earlier in 2014. The federal government has referred the Project for Environmental Assessment and Environmental Impact Statement ("EIS") Guidelines were issued in June 2014. TSMC plans to complete the EIS by mid-2015.

Originally part of LIM's planned Stage 3, the Howse Deposit was expected to be developed by about 2020. TSMC, the Joint Venture operator, is responsible for funding the next $23.5 million of expenditures and thereby increase its interest to 70% and has provided guidance that production could start as early as 2016. Significant cost savings and synergies are anticipated due to the accessibility of the Howse Deposit to TSMC's new year-round processing plant and rail loading infrastructure at its Timmins DSO Project. TSMC is targeting a 3 million tonne per year direct shipping iron ore operation with development of an open pit and initial production anticipated in 2016 followed by full commercial production in 2017.

THIRD QUARTER FINANCIAL REVIEW

LIM did not ship any iron ore product during the quarter ended December 31, 2014. Accordingly, no net revenue was recognized from mining operations during the period.

For the third quarter ended December 31, 2014, LIM reported a net loss of $3.0 million, or $0.02 per share, which was mainly attributable to exploration costs, corporate and administrative costs and an unrealized foreign exchange loss.

Activities at site consisted mainly of conducting the final drilling at LIM's Howse Deposit joint venture exploration program, which was completed in full by the end of the quarter.

During the quarter, LIM did not make any capital expenditures in property, plant and equipment. The suspension of capital expenditure is part of the strict cost control measures currently in place.

As at December 31, 2014, LIM had current assets of $3.5 million, consisting of $2.1 million in unrestricted cash and cash equivalents, inventories of $0.1 million and accounts receivable and prepaid expenses of $1.3 million.

Current liabilities, consisting of accounts payable and accrued liabilities, finance lease obligations, rehabilitation provisions, a rail construction advance and deferred revenue, were in aggregate $65.7 million at December 31, 2014.

At December 31, 2014, LIM had a working capital deficit of $62.2 million. LIM had no current or long-term bank debt at December 31, 2014; however, the Company had a deferred revenue liability of US$20.6 million.

Iron Ore Market Conditions

Since the beginning of 2014, the price for 62% Fe iron ore has declined more than 50% to approximately US$60 per tonne currently, compared to an average price of US$135 per tonne in 2013 (62% Fe fines on a CFR China basis).

Iron ore exports from Australia to China increased significantly in 2014, pushing spot prices to the lowest levels in five years and contributing to a growing global surplus. Inventories at Chinese ports reached record levels, increasing supply and leading to lower prices.

The explanation for the increase in supply is that the world's big four iron ore producers significantly increased production in 2014. Iron ore output from Vale, Rio Tinto, BHP Billiton and Fortescue is estimated to have risen 15% during 2014, adding about 130 million tonnes of product to the market and increasing the size of port inventories in China to over 100 million tonnes.

The immediate market outlook for iron ore is uncertain. Robust steel production and iron ore demand from China have underpinned the iron ore price over the past seven years. Despite an economic slowdown, it would seem that Chinese steel production continues to increase and China will need to import more iron ore to replace the shutdown of domestic production, which should help iron ore price stability.

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This press release should be read in conjunction with LIM's Management's Discussion and Analysis (MD&A) and unaudited financial statements for the quarter and nine months ended December 31, 2014, available on the Company's website at www.labradorironmines.ca, under the "Financials" section, or on SEDAR (www.sedar.com).

Unless otherwise noted, all references to 'years' in this press release are 'calendar years', all dollar amounts are stated in Canadian dollars and all tonnes are stated in dry metric tonnes.

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About Labrador Iron Mines Holdings Limited

Labrador Iron Mines (LIM) is engaged in the mining, exploration and development of its portfolio of 20 direct shipping (DSO) deposits located in the Schefferville/Menihek region of the prolific Labrador Trough. Production commenced at the James Mine and Silver Yards plant in 2011 and through to the end of its third operating year, the Company sold approximately 3.6 million dry tonnes (3.8 million wet tonnes) in 23 shipments of iron ore into the Chinese spot market.

LIM did not undertake any mining operations for the 2014 operating season due to a combination of the prevailing low price of iron ore in 2014, an assessment of the current economics of its deposits and a strategic shift in corporate focus towards establishing a lower cost operating framework, while concurrently negotiating the commercial terms of major contracts. LIM's current focus is seeking additional financing and completing a debt restructuring. The Company is also working on development of the Houston Mine, to be in a position to complete construction and begin mining operations from Houston when market conditions permit, subject to completion of financing and negotiation of major contracts.

For further information, please visit LIM's website at www.labradorironmines.ca or contact:

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Cautionary Statements:

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that mineral resources will be converted into mineral reserves. A Feasibility Study has not been conducted on any of the Company's Schefferville Projects.

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.

Forward Looking Statement:

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, 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.