Labrador Iron Mines Announces New Mineral Resource Estimates for Houston and Knob Lake Deposits

Drill programs continue to convert historical resources to current NI 43-101 resources

Toronto, Ontario, May 31, 2012. **Labrador Iron Mines Holdings Limited** ("LIM" or the "Company") (TSX: LIM) is pleased to report that its 2011 drilling programs continued to increase the size of the Houston deposits and that a new National Instrument (NI) 43-101 mineral resource estimate has been calculated for the Knob Lake deposit, both located in western Labrador.

In its 2011 exploration programs, LIM completed 8,216 metres (m) of reverse circulation (RC) drilling in 139 holes drilled on its projects in Labrador and 2,794 m of RC drilling in 51 holes drilled on properties in Quebec.

Houston deposits increased in size

LIM is pleased to report that an updated independent mineral resource estimate of the Houston deposits has confirmed the Measured and Indicated resource estimate of 23 million tonnes at a grade of 57.2% iron (Fe), compared to 22 million tonnes at a grade of 57.3% Fe previously reported and has increased the Inferred resource to 3.7 million tonnes at a grade of 56.5% Fe from the 690,000 tonnes at a grade of 54.9% Fe previously reported. The Houston deposits remain open along strike, particularly to the southeast, and further drilling is planned for 2012 to test for possible extensions and to upgrade the Inferred resource. Descriptions of Iron Ore Company of Canada (IOC) ore type classification are found in the Appendix.

A summary of the new resource estimate, compared to that previously reported by the Company in March 2011, (Technical Report Houston Property SGS Canada Inc., (SGS) March 25, 2011) is shown in the table below. The same methodology was used in each case. The detailed resource estimate is shown in the Appendix to this release.

Houston Deposits		NI 43-101 (As at March 31, 2012)				NI 43-101 (March 31, 2011)			
Ore	Classification	Tonnes (x 1000)	Fe %	Mn %	SiO$_2$ %	Tonnes (x 1000)	Fe %	Mn %	SiO$_2$ %
Fe	Measured	18,640	57.5	0.8	13.6	17,800	57.9	0.8	12.9
	Indicated	3,440	56.6	0.8	14.6	3,340	55.7	0.9	16.7
	Inferred	3,737	56.5	0.5	15.9	690	54.9	0.8	18.2
Mn	Measured	660	53.3	5.0	10.8	900	53.6	5.0	10.6
	Indicated	140	52.7	5.1	11.5	130	55.6	1.1	11.2
	Inferred	3	55.6	5.0	10.7	0	0	0	0
TOTAL	**Measured & Indicated**	**22,890**	**57.2**	**0.9**	**13.7**	**22,170**	**57.3**	**1.0**	**13.4**
	Inferred	**3,740**	**56.5**	**0.5**	**15.9**	**690**	**54.9**	**0.8**	**18.2**

Commenting on the new resource estimate at the Houston deposits, John F. Kearney, LIM's Chairman and CEO said, "It is particularly encouraging that this independent review has confirmed a larger resource at Houston, which is becoming LIM's major project for the next five years. The increase in tonnage was more significant in the Inferred category and further drilling is planned this year to upgrade and further expand the Houston resource."

New Knob Lake mineral resources estimate of 5.7 million tonnes

LIM is also pleased to report a new mineral resource estimate for its Knob Lake deposit of 5.7 million tonnes at an average grade of 54.2% Fe in the Measured and Indicated categories, which is a significant increase over the previous historical IOC estimate of 4.0 million tonnes at an average grade of 48.4% Fe in the Inferred category.

Descriptions of IOC ore type classification are found in the Appendix. The historical resources referred to in this press release are based on work completed and estimates prepared by IOC prior to 1983 and were not prepared in accordance with NI 43-101. The Company is not treating any historical resource estimate as a defined current resource verified by a Qualified Person and the historical resource estimates should not be relied upon. However, the historical resource estimates are still considered relevant.

The Knob Lake deposit is located about 3 kilometres ("km") from LIM's Silver Yards process plant and, subject to permitting, may be included in Stage 1 of LIM's direct shipping (DSO) iron ore operations at a later date.

The new estimate, independently prepared by SGS in accordance with NI 43-101, shows a total Measured and Indicated mineral resource of 5.72 million tonnes at an average grade of 54.2% Fe and 8% silica (SiO_2) and represents an increase in tonnage of 42% relative to the historical resource (non NI 43-101 compliant) previously estimated by the IOC prior to 1982. The new mineral resource includes extensions outlined during LIM's 2010 and 2011 exploration programs and also includes manganiferous iron-bearing mineral resources with manganese (Mn) grades of >3.5% totalling 899,000 tonnes @ 51.4% Fe, 6.8% Mn in the Measured and Indicated categories. Descriptions of IOC ore type classification are found in the Appendix.

The historical resources referred to in this press release are based on work completed and estimates prepared by IOC prior to 1983 and were not prepared in accordance with NI 43-101. The Company is not treating any historical resource estimate as a defined current resource verified by a Qualified Person and the historical resource estimates should not be relied upon. However, the historical resource estimates are still considered relevant.

The independent reviews of the Houston and Knob Lake deposits were carried out by Maxime Dupéré, P. Geo of SGS who is a Qualified Person and independent of LIM within the meaning of NI 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. The SGS Technical Reports for the Houston and Knob Lake deposits will be filed on SEDAR (www.sedar.com) within 45 days.

The mineral resource estimate for the Knob Lake deposit was completed using a 3D modeling and block model interpolation methodology. A total of 79 historical (IOC) RC drill holes, 19 RC holes (LIM), 28 trenches (LIM), one diamond drill hole, 1204 assays and 689 composites were used for the resource estimation. The interpolation was done by ordinary kriging. The block model covers a maximum strike length of 585 m, a width of up to 250 m with a maximum depth of 135 m below surface. The block model was defined by block sizes of 5x5x5 m with an orientation of 314.4 degrees (°). The mineralized solid provided by LIM was validated and modified to meet the estimation and interpretation parameters of SGS. The density was defined using the equation stated hereafter: $((Fe)*0.0258) +2.338)*0.9$. A set of 689 (3 m) composites were used all within the Knob Lake mineralized solid. No capping was used. A variogram according to the KL1 composites was built for the elements Fe, Mn, and phosphorus (P), as well as silica (SiO_2) and alumina ($Al2O_3$). Classification was done using the kriging error on Fe.

Commenting on the new mineral resource estimates, Rod Cooper, LIM's President and Chief Operating Officer said, "Our exploration programs continue to confirm not only the reliability of the historical resource estimates but have also identified previously unknown mineralization that has significantly increased the total resources at the various deposits."

A summary comparison of the new Knob Lake mineral resource estimate with historical IOC resources is shown in the Table below and a summarized compilation is listed in the Appendix.

Knob Lake Deposit		NI 43-101 (As at March 31, 2012)				Historical 1982 (Natural analysis)			
Ore	Classification	Tonnes (x 1000)	Fe %	Mn %	SiO$_2$ %	Tonnes (x 1000)	Fe %	Mn %	SiO$_2$ %
Fe	Measured	2,838	55.0	0.7	10.2	—	—	—	—
	Indicated	2,264	54.3	0.7	11.2	—	—	—	—
	Inferred	724	52.3	0.5	13.4	3,662	49.1	0.5	7.8
Mn	Measured	383	50.5	5.6	8.5	—	—	—	—
	Indicated	230	49.4	4.8	10.2	—	—	—	—
	Inferred	146	50.6	4.8	10.3	363	41.7	8.4	6.2
TOTAL	**Measured & Indicated**	**5,715**	**54.2**	**1.5**	**10.5**	—	—	—	—
	Inferred	**870**	**52.0**	**1.8**	**12.9**	**4,025**	**48.4**	**1.2**	**7.6**

The historical resources referred to in this press release are based on work completed and estimates prepared by IOC prior to 1983 and were not prepared in accordance with NI 43-101. The Company is not treating any historical resource estimate as a defined current resource verified by a Qualified Person and the historical resource estimates should not be relied upon. However, the historical resource estimates are still considered relevant.

2011 Exploration Work Programs:

In its 2011 exploration programs, LIM completed 8,216 m of RC drilling in 139 holes drilled in its projects in Labrador and 2,794 m of RC drilling in 51 holes drilled in properties in Quebec.

The table below summarizes where the drilling was carried out in Labrador.

Property	Type of work	Number (holes)	Total length (m)
James Mine	RC drilling	3	288
Knob Lake 1	RC drilling	5	321
Redmond 2B	RC drilling	4	261
Houston	RC drilling	44	3,112
Ruth Lake 8	RC drilling	49	2,850
Gill	RC drilling	33	1,378
Houston 1 and 2	Bulk sampling trenching	360 tonnes	559
Knob Lake 1	Test pitting	23	—
Total		**139**	**8,216**

The main objectives of the 2011 exploration programs carried out on LIM's properties in Labrador were to expand the Houston resource to support its development as LIM's next Stage 2 project and to test a number of the smaller deposits (Central Zone – Knob Lake 1, Ruth Lake 8, Gill Mine) all located in the vicinity of the James Mine which, in the future, could be developed as satellite feeder deposits to LIM's existing Silver Yards processing facility.

At Houston, the objectives were to test the area between Houston 1 and 2, test the down dip extension of the known iron enrichment along the eastern margin of Houston 1 and also complete a bulk sampling program of 360 tonnes extracted from the Houston 1 and 2 deposits to test the amenability of the Houston ore to upgrading.

First phase drill programs were completed at the Ruth Lake 8 and Gill Mine areas. At the small Ruth Lake 8 area, located about one km from the Silver Yards plant, the drilling was successful in determining the general location of the historical resource (410,000 tonnes at an average grade of 53.4% Fe (not NI 43-101 compliant)). The historical resources referred to in this press release are based on work completed and estimates prepared by IOC prior to 1983 and were not prepared in accordance with NI 43-101. The Company is not treating any historical resource estimate as a defined current resource verified by a Qualified Person and the historical resource estimates should not be relied upon. However, the historical resource estimates are still considered relevant. Further work is planned to confirm this resource and to target additional iron-enriched areas 600 m to the north, which are not listed as historical resources but appear on resource maps.

In the Gill Mine area, drilling has confirmed the general location of the historical resources (4.6 million tonnes at an average grade of 50.5% Fe (not NI 43-101 compliant)) towards the north and central areas. Drilling towards the south end of Gill was halted at the end of the season in December but is planned to be continued in 2012. LIM is planning further drilling in 2012 to be able to compile a NI 43-101 compliant mineral resource estimate in 2012.

Three holes were drilled to test for extensions of mineralization south of LIM's James Mine. Further drilling is planned in 2012 to define this potential.

Four holes were drilled on the Redmond 2B area to test for iron enrichment between Redmond 2 and 2B areas and for northwest extensions.

The table below summarizes the portion of the program completed in Quebec.

Property	Type of work	Number (holes)	Total length (m)
Denault 1	RC drilling	10	618
Denault 2	RC drilling	12	306
Denault 3	RC drilling	4	138
Star Creek 1	RC drilling	7	350
Malcolm 1	RC drilling	18	1,387
Total		**51**	**2,799**

The main objectives of the 2011 exploration programs on LIM's properties in Quebec, held through its wholly-owned subsidiary Schefferville Mines Inc., were to carry out further drilling in the Denault 1, 2 and 3 areas, initiate a first phase program on Star Creek 1 and conduct a regional exploration program in and around the Malcolm 1 area.

The Denault property consists of three separate areas of iron enrichment. The first area, Denault 1, is approximately 6.5 km northwest of the town of Schefferville. The second area, Denault 2, is approximately 500 m to the southeast from Denault 1 and the third area, referred to as Denault 3, is located 800 m southeast of Denault 2.

In March 2011, LIM reported a non-independent NI 43-101 mineral resource estimate for Denault 1 of 6.4 million tonnes at an average grade of 54.8% Fe and 8% SiO2. (Technical Report and Resource Estimate, Denault Property, T.N. McKillen March 11, 2011).

During 2011, LIM drilled an additional ten holes (618 m) on Denault 1 and carried out a further 444 m of drilling in sixteen holes on Denault 2 and 3, which were not included in the March 2011 mineral resource estimate.

LIM drilled 350 m in seven holes on the Star Creek Property. Star Creek 1 was mined by IOC during the 1970s when the ore produced was marketed for its manganese content. The remaining historical resource (IOC, 1982) reported for Star Creek 1 is 1.5 million tonnes grading 50.96% Fe and 7.26% SiO_2 (natural analysis) (not NI 43-101 compliant). The historical manganese resource is reported as 2 million tonnes grading 45.9% Fe, 6.2% SiO_2 and 6.54% Mn (natural analysis).

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The 2011 drilling represented the first drilling program carried out by LIM on the Star Creek 1 property. Further work is planned to allow the full delineation of the Fe/Mn enrichment and its inclusion into NI 43-101 compliant mineral resource estimation.

Malcolm 1

The Malcolm 1 area lies in Quebec, approximately 12 km southeast of the town of Schefferville and was mapped and drilled by IOC in several phases between the 1950s and 1980. The historical 1982 (non NI 43-101 compliant) mineral resource listed by IOC is 2.9 million tonnes grading 56.2% Fe and 6.14% SiO_2 (natural analysis). A manganese resource is given as 422,000 tonnes grading 51.4% Fe, 4.93% SiO_2 and 5.80% Mn (natural analysis).

LIM's 2011 program at Malcolm 1 represents the initial work carried out by LIM on this property. Fourteen out of the first series of eighteen holes on Malcolm 1 returned ore-type intersections. The table below summarizes the intercepts of those fourteen holes. True thickness (ETT) is estimated using an average bedding dip of 45° and vertical drilling dips for every RC hole.

Hole ID	From (m)	To (m)	Length (m)	ETT (m)	Fe %	P %	Mn %	SiO_2 %	Al_2O_3 %
RC-M-002-2011	3	27	24	17.0	59.03	0.08	1.10	5.28	0.26
RC-M-004-2011	54	78	24	17.0	56.19	0.12	1.32	12.22	0.39
RC-M-005-2011	3	36	33	23.3	59.30	0.11	0.47	8.72	0.79
RC-M-007-2011	3	45	42	29.7	61.06	0.08	1.00	4.01	1.39
RC-M-008-2011	57	102	45	31.8	58.67	0.04	1.66	10.97	0.45
RC-M-009-2011	3	30	27	19.1	62.31	0.05	0.41	7.81	0.52
RC-M-011-2011	4	63	59	41.7	64.62	0.04	0.41	3.88	0.44

Hole ID	From (m)	To (m)	Length (m)	ETT (m)	Fe %	P %	Mn %	SiO_2 %	Al_2O_3 %
RC-M-012-2011	45	108	63	44.5	59.48	0.05	0.76	11.40	0.55
RC-M-013-2011	30	81	51	36.1	62.89	0.05	0.36	5.96	0.55
RC-M-014-2011	15	69	54	38.2	62.23	0.05	0.88	6.28	0.57
RC-M-015-2011	3	21	18	12.7	53.86	0.15	3.02	6.53	1.28
RC-M-015-2011	24	66	42	29.7	61.84	0.05	0.07	9.85	0.30
RC-M-016-2011	3	48	45	31.8	59.08	0.06	0.06	11.39	0.17
RC-M-017-2011	9	57	48	33.9	56.19	0.10	1.30	10.16	0.49

Note: 14 of the 18 holes returned ore-type intersections. Four holes did not meet LIM's cut-off criteria, which is based on the IOC ore type classification listed in the Appendix.

An interesting feature observed in the drilling to date is that the Malcolm 1 mineralization appears to be mainly hard blue hematite with a large proportion of lump iron ore. Malcolm 1 will be the main focus of LIM's 2012 drilling program.

2012 Exploration Programs

Following on the success of the 2011 exploration programs, a 2012 budget of approximately CAD$8 million has been set to support LIM's aggressive drilling efforts planned for the summer of 2012. Drill programs, principally at Houston 1, 2 and 3 and Malcolm 1, as well as a number of other deposits, will focus on generating further mineral resources and technical information required for detailed mine planning.

In addition to this drilling, a resource definition and bulk sampling program of historic stockpiles adjacent to former producing mine will be initiated with a view to providing supplemental plant feed to the Silver Yards processing plant. Exploration work aimed at evaluating historical manganese resources will also be carried out along with metallurgical testing with a view to ascertaining compatibility with the Silver Yards' processing plant flow sheet.

In a new initiative to the main focus on DSO iron ore, LIM plans an initial core drill program on recently identified taconite iron mineralization on LIM's mineral claims, which will be supported by geophysical programs. The Schefferville/Menihek area has a number of taconite deposits being explored/developed by other companies and these deposits, which usually average about 30% Fe, can often show very significant tonnages.

Qualified Person
This release has been prepared under the supervision of Terence N. McKillen, Executive Vice President and a Director of the Company and a Qualified Person within the meaning of NI 43-101. The current resource estimates disclosed herein have been prepared by Maxime Dupéré, P. Geo of SGS Canada Inc. who is an Independent Qualified Person within the meaning of NI 43-101.

Analyses
Analyses for all of the samples from the 2011 drilling programs were carried out by Activation Laboratories (Actlabs). The analytical method used was borate fusion whole rock X-Ray Fluorescence.

Quality Control

From the beginning of the 2008 RC drilling & trenching campaign, LIM initiated a quality assurance and quality control protocol. The procedure includes the systematic addition of in-house blanks, in-house reference standards, field duplicates, and preparation laboratory duplicates to approximately each 25 batch samples sent for analysis at Actlabs.

Historical Resources

The historical resources referred to in this press release are based on work completed and estimates prepared by IOC prior to 1983 and were not prepared in accordance with NI 43-101. The Company is not treating any historical resource estimate as a defined current resource verified by a Qualified Person and the historical resource estimates should not be relied upon. However, the historical resource estimates are still considered relevant.

About Labrador Iron Mines Holdings Limited (LIM)

Labrador Iron Mines (LIM) is Canada's newest iron ore producer. We own a portfolio of direct shipping (DSO) iron ore operations and projects located in the prolific Labrador Trough. Initial production commenced at our 100%-owned James Mine in June 2011 and we recorded the sale of 400,000 tonnes of iron ore in our first start-up season. The first full production season commenced on April 2, 2012, with a sales target of 2 million tonnes of iron ore for the 2012 year.

LIM is focused on a strategic and robust growth plan arising from our portfolio of 20 iron ore deposits in Labrador and Quebec, all within 50 kilometres of the town of Schefferville. The James Mine is connected by a direct rail link to the Port of Sept-Iles, Québec. The area 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 as we ramp up production and sales towards 5 million tonnes per year by 2015.

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

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

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Cautionary Statements:

Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward looking statements that involve various degrees of risk. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of iron ore and steel, general market conditions, the uncertainty of future profitability and access to additional capital, risks inherent in mineral exploration and risks associated with development, construction and mining operations, delays in obtaining or failures to reach agreements with any potentially impacted aboriginal groups or to obtain required governmental, environmental or other project approvals. There can be no assurance that the Company will be successful in reaching 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 Area project. Caution should be exercised on placing undue reliance on forward looking information.

Appendix

Compiled Houston Resource Estimation as at March 31, 2012 (NI 43-101)

Classification	Ore Type	Density (t/m^3)	Tonnes (x 1000)	Fe %	Mn %	SiO2 %
Total Measured & Indicated	LNB-NB	3.4	16,050	59.17	0.82	10.91
	HiSiO2	3.3	6,030	52.43	0.74	21.43
	LMN-HMN	3.3	810	53.17	5.03	10.98
	Total	**3.4**	**22,890**	**57.18**	**0.93**	**13.68**
Total Inferred	LNB-NB	3.4	2,524	58.31	0.53	12.95
	HiSiO2	3.3	1,213	52.62	0.35	22.01
	LMN-HMN	3.3	3	55.61	5.0	10.71
	Total	**3.4**	**3,740**	**56.46**	**0.48**	**15.49**

Detailed Houston Resource Estimation as at March 31, 2012 (NI 43-101)

Area	Ore Type	Classification	Tonnage	Density (t/m^3)	Fe (%)	Mn (%)	SiO$_2$ (%)
Houston 3	HiSiO$_2$	Measured (M)	660,000	3.32	52.53	0.6	21.16
Houston 3	LMN-HMN	Measured (M)	250,000	3.30	51.61	5.2	11.97
Houston 3	NB-LNB	Measured (M)	3,190,000	3.47	58.88	1.0	9.97
Houston 2S	HiSiO$_2$	Measured (M)	2,660,000	3.32	52.23	0.8	21.65
Houston 2S	LMN-HMN	Measured (M)	60,000	3.39	55.35	4.6	10.48
Houston 2S	NB-LNB	Measured (M)	5,150,000	3.49	59.63	0.7	10.90
Houston 2N	HiSiO$_2$	Measured (M)	30,000	3.31	52.09	1.3	21.77
Houston 2N	LMN-HMN	Measured (M)	20,000	3.27	50.15	5.9	13.86
Houston 2N	NB-LNB	Measured (M)	50,000	3.50	60.11	1.1	10.88
Houston 1	HiSiO$_2$	Measured (M)	1,720,000	3.33	52.65	0.7	21.24
Houston 1	LMN-HMN	Measured (M)	330,000	3.37	54.39	4.9	9.86
Houston 1	NB-LNB	Measured (M)	5,180,000	3.48	59.34	0.8	10.94
		Total Measured	**19,300,000**	**3.43**	**57.32**	**0.9**	**13.52**
Houston 3	HiSiO$_2$	Indicated (I)	340,000	3.32	52.39	0.6	21.41
Houston 3	LMN-HMN	Indicated (I)	140,000	3.33	52.73	5.2	11.27
Houston 3	NB-LNB	Indicated (I)	1,510,000	3.45	58.15	1.0	11.32
Houston 2S	HiSiO$_2$	Indicated (I)	280,000	3.33	52.68	0.9	21.55
Houston 2S	LMN-HMN	Indicated (I)	—	3.29	51.18	3.7	17.85
Houston 2S	NB-LNB	Indicated (I)	550,000	3.47	59.06	0.7	12.32
Houston 2N	HiSiO$_2$	Indicated (I)	20,000	3.29	51.11	2.1	22.20
Houston 2N	LMN-HMN	Indicated (I)	—	3.37	54.59	4.2	11.56
Houston 2N	NB-LNB	Indicated (I)	10,000	3.46	58.44	1.6	12.23
Houston 1	HiSiO$_2$	Indicated (I)	320,000	3.33	52.65	0.7	20.95
Houston 1	LMN-HMN	Indicated (I)	10,000	3.29	51.17	3.8	16.04
Houston 1	NB-LNB	Indicated (I)	410,000	3.43	57.22	0.6	14.38
		Total Indicated	**3,590,000**	**3.41**	**56.45**	**1.0**	**14.53**

Detailed Houston Resource Estimation as at March 31, 2012 (NI 43-101) continued

Area	Ore Type	Classification	Tonnage	Density (t/m^3)	Fe (%)	Mn (%)	SiO$_2$ (%)
Houston 3	HiSiO$_2$	Inferred	1,112,000	3.32	52.56	0.3	22.09
Houston 3	LMN-HMN	Inferred	—	0.00	0.00	0.0	0.00
Houston 3	NB-LNB	Inferred	2,412,000	3.46	58.31	0.5	12.96
Houston 2S	HiSiO$_2$	Inferred	101,000	3.34	53.25	0.9	21.07
Houston 2S	LMN-HMN	Inferred	3,000	3.40	55.61	5.0	10.71
Houston 2S	NB-LNB	Inferred	112,000	3.46	58.28	1.2	12.81
Houston 2N	HiSiO$_2$	Inferred	—	3.27	50.30	0.7	25.86
Houston 2N	LMN-HMN	Inferred	—	0.00	0.00	0.0	0.00
Houston 2N	NB-LNB	Inferred	—	0.00	0.00	0.0	0.00
Houston 1	HiSiO$_2$	Inferred	—	0.00	0.00	0.0	0.00
Houston 1	LMN-HMN	Inferred	—	0.00	0.00	0.0	0.00
Houston 1	NB-LNB	Inferred	—	0.00	0.00	0.0	0.00
		Total Inferred	**3,740,000**	**3.41**	**56.46**	**0.5**	**15.89**

Area	Ore Type	Classification	Tonnage	Density (g/cc)	Fe (%)	Mn (%)	SiO$_2$ (%)
Houston	Total (Fe Ore and Mn Ore)	Measured (M)	19,300,000	3.43	57.32	0.91	13.52
		Indicated (I)	3,590,000	3.41	56.45	1.02	14.53
		Total M+I	**22,890,000**	**3.43**	**57.18**	**0.93**	**13.68**
		Total Inferred	**3,740,000**	**3.41**	**56.46**	**0.48**	**15.89**

Notes:
- Resources rounded to the nearest 10k.
- Relative density equation: = [(0.0258 * [Fe]) + 2.338] * 0.9
- CIM Definitions were followed for mineral resources.
- Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Compiled Knob Lake Resource Estimation as at March 31, 2012 (NI 43-101)

Classification	Ore Type	Density (t/m^3)	Tonnes (x 1000)	Fe %	Mn %	SiO$_2$ %
Total Measured & Indicated	LNB-NB	3.4	4,688	55.0	1.1	9.8
	HiSiO$_2$	3.3	413	51.1	0.6	10.7
	LMN-HMN	3.3	613	50.1	5.3	9.2
	Total	**3.4**	**5,715**	**54.2**	**1.5**	**10.5**
Total Inferred	LNB-NB	3.4	572	52.7	1.4	11.8
	HiSiO$_2$	3.3	152	50.9	0.5	19.3
	LMN-HMN	3.3	146	50.6	4.8	10.3
	Total	**3.4**	**870**	**52.0**	**1.8**	**12.9**

IOC ore type classification

Ore Types	Ore Colours	Fe %	Mn %	SiO$_2$ %	Al$_2$O$_3$ %
NB (Non-Bessemer)	Blue, Red, Yellow	>=55	<3.5	<10	<5
LNB (Lean non-Bessemer)	Blue, Red, Yellow	>=50	<3.5	<18	<5
HiSiO$_2$ (High Silica)	Blue	>=50	<3.5	18-30	<5
HMN (High Manganiferous)	Blue, Red, Yellow	(Fe+Mn) >=50	>=6	<18	<5
LMN (Low Manganiferous)	Blue, Red, Yellow	(Fe+Mn) >=50	3.5-6	<18	<5

Notes:
- LIM resource definitions includes Hi-SiO$_2$ ores (>=50% Fe <=30% SiO$_2$ dry basis).
- The original IOC ore definition was: >=50% Fe, <=18% SiO$_2$ dry basis.
- A variable specific gravity (density) was used for the modeled ore blocks using the following equation previously calculated by LIM based upon 229 specific gravity tests: SG = (2.3388 + Fe x 0.0258) x 0.9.
- Blue ores, which are composed mainly of the minerals hematite and martite, are generally coarse grained and friable. They are usually found in the middle section of the iron formation.
- Yellow ores, which are made up of the minerals limonite and goethite, are located in the lower section of the iron formation in a unit referred to as the "silicate carbonate iron formation" or SCIF.
- Red ore is predominantly a red earthy hematite. It forms the basal layer that underlies the lower section of the iron formation. Red ore is characterized by its clay and slate-like texture.
- The terms "iron ore" and "ore" in this document are used in a descriptive sense and should not be construed as representing current economic viability.
- Historical mineral resources listed by IOC are reported as "natural analysis" meaning that they take into account the amount of moisture contained in the iron ore.