

LABRADOR IRON MINES ANNOUNCES FIRST SHIPMENT OF IRON ORE FOR 2013

Commissioning of Silver Yards Phase 3

Toronto, Ontario, June 7, 2013. **Labrador Iron Mines Holdings Limited** ("LIM" or the "Company") (TSX: LIM) is pleased to announce its first shipment of iron ore for 2013. The *JK Pioneer*, a Cape-size vessel carrying 174,360 wet metric tonnes of LIM iron ore, has sailed from the Port of Sept-Îles, bound for China.

LIM's first shipment consisted of sinter fines largely comprised of stockpiled material at the mine site and some port inventory, at a planned average grade of about 58% iron ("Fe"). Subsequent shipments during 2013 will be sinter fines and lump ore at a planned average grade of approximately 62% Fe. These shipments will consist of iron ore from the James Mine, made up of a mixture of higher grade dry screened ore and lower grade material that will be upgraded at the Silver Yards wet processing plant. Total saleable iron ore production in 2013 is expected to be between 1.75 to 2.0 million tonnes.

In May 2013, LIM signed a new two-year iron ore sales agreement with the Iron Ore Company of Canada ("IOC") for the sale of all of LIM's iron ore production for the next two calendar years 2013 and 2014. IOC has entered into an iron ore off-take agreement with RB Metalloyd Limited ("RBM") under which RBM has agreed to buy LIM's iron ore from IOC on a FOB Sept-Îles basis. Under LIM's new sales agreement, IOC will pay for the iron ore progressively, as the ore is resold, with the price calculation based on the monthly average of the market index, adjusted for product quality specification, premiums or penalties and after ocean freight and IOC's price participation.

The Silver Yards wet processing plant has restarted for the 2013 year and includes the Phase 3 upgrade and expansion which is now being commissioned. The wet plant will ramp up to its design capacity by the end of June and will operate in conjunction with the dry plant, which has been processing iron ore since April.

John Kearney, Chairman and Chief Executive of Labrador Iron Mines, stated "*We are happy to report that LIM's first shipment of 2013 has sailed and that production is ramping up largely on schedule, despite difficult weather conditions that prevailed in the Schefferville area during April and May. Now that the Silver Yards wet plant is operating, we expect to accelerate our production, raiing and shipping and look forward to a solid year of operations.*"

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Notice of Labrador Iron Mines Fourth Quarter and Year-End Results

LIM will be releasing its March 2013 fourth quarter and year-end results before the market opens on **Thursday, June 27, 2013**. LIM's financial statements and Management's Discussion and Analysis will be available on the Company's website and filed on SEDAR (www.sedar.com).

Members of the senior management team will host a conference call and webcast on **Thursday, June 27, 2013 at 11:00 am (ET)** to discuss the results.

Labrador Iron Mines

News Release

TSX: LIM

Conference Call and Webcast Details

Via Conference Call (Telephone):

Local and International: +1 (647) 427-7450

Canada and US Toll-free: +1 (888) 231-8191

Please reference "Labrador Iron Mines Year End Conference Call" when prompted.

Via Webcast:

A live audio webcast will be available on LIM's homepage at www.labradorironmines.ca.

Replay:

For those who are unable to participate in the live conference call, a replay will be available until the end of day on July 11, 2013.

Local and International: +1 (416) 849-0833

Canada and US Toll-free: +1 (855) 859-2056

Passcode: 920 025 96#

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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, and through 2012, iron ore sales have totalled 2.0 million dry tonnes in 13 shipments into the Chinese spot market.

LIM has commenced its third year of operations and is targeting 1.75 to 2.0 million tonnes of saleable iron ore production in 2013.

The James Mine is connected by a direct rail link to the Port of Sept-Îles, Québec. The operation 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, LIM's objective is to provide shareholders with long-term value with a plan to increase production towards 5 million tonnes per year from its 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 or contact:

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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, 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.