LABRADOR IRON MINES
HOLDINGS LIMITED

News Release

ANNUAL MEETING OF SHAREHOLDERS AND CORPORATE UPDATE

Toronto, Ontario, September 15, 2015. **Labrador Iron Mines Holdings Limited** ("LIM" or the "Company") held its Annual Meeting of Shareholders today in Toronto, Canada.

At the meeting, LIM's **Chairman and Chief Executive Officer, John Kearney**, provided shareholders with an update on the Company's activities in 2015, the status of the CCAA process, the potential development of the Houston Mine and his personal views on the current iron ore market.

"LIM owns extensive iron ore resources, processing plants and equipment and rail infrastructure and facilities in its Schefferville Projects but is currently in a very challenging financial position. On April 2, 2015, LIM instituted proceedings in the Ontario Superior Court of Justice for a financial restructuring by means of a plan of compromise or arrangement under the Companies' Creditors Arrangement Act ("CCAA"). This step was taken to provide an opportunity for the orderly restructuring of LIM's business and financial affairs, so as to enable the Company to emerge with a viable business in the most favourable position to secure additional financing to proceed with the development of the Company's Houston Project and continue as a going concern.

The capital investment to put the Houston Mine into production is relatively modest, and the lead time for development relatively short, compared with most other iron ore projects under development in the Labrador Trough. The Company believes that an orderly CCAA process that enables the restructuring of the Company's debts, the restructuring of certain of its operating contracts and securing additional development financing to proceed with the development of the Company's Houston Project is in the best interest of all of stakeholders.

The CCAA process is designed to stabilize operations and business relationships with contractors, suppliers and creditors and to provide an opportunity for the Company to negotiate a settlement of liabilities and a restructuring of major contracts. LIM has approximately $66 million in unsecured liabilities subject to compromise, of which the principal components are US$20.6 million, representing the outstanding amount of a repayable advance payment for the purchase of iron ore, $15 million due to the Company's mining contractor for work done in 2013 and the remaining balance of $20 million due to miscellaneous creditors and suppliers. LIM has no current or long-term bank debt. Upon completion of such negotiations, a proposed plan of arrangement for a financial restructuring will be presented to the Company's creditors. The plan of arrangement must be approved by the Company's creditors and the Court prior to it being given effect. Such proposed plan of arrangement has not yet been presented to creditors.

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-Iles, sharing facilities with other companies and developing alternative destination markets with lower freight costs for the Company's products.

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 or on a timely basis.

Mr. Kearney reported on LIM's 2015 Operating Activities

Notwithstanding the challenging financial environment during the past year, LIM continues to conduct a variety of necessary operational and corporate activities with the objective of preserving its assets, maintaining its mine site on a standby basis, fulfilling all environmental and regulatory obligations and continuously reducing costs.

During the summer of 2015, we conducted the field program required to maintain our mineral claims in good standing. A number of non-core mineral claims have been dropped or surrendered. The Company continued its efforts to offset operating costs by generating third party income from otherwise idle property and equipment. Such initiatives include the continuing sublease of the Bean Lake mine camp, the development of an active rail car repair and refurbishment business at the Centre Ferro facility in Sept-Iles, Quebec and the sale of some surplus equipment.

From a corporate perspective, we continue to focus on cost reduction. 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. A major work-force reduction and office lease rationalization was completed during the past year, significantly reducing corporate overhead. Corporate salaries have been reduced and all directors' fees have been waived. In February 2015, the Company voluntarily delisted its shares from the Toronto Stock Exchange, primarily as a further cost reduction measure. Combined with the limited cost of site maintenance and standby activities, the generation of third party revenue from idle assets and the suspension of capital expenditure and exploration programs, LIM has succeeded in reducing its ongoing costs significantly."

Mr. Kearney reviewed of LIM's Houston Project:

"LIM's Schefferville Projects now consist of the Houston property, which includes the Malcolm deposit, the Silver Yards processing facility and, subject to further exploration and development, other iron ore properties in the vicinity of Schefferville. Houston is planned to form the core of LIM's activities for the foreseeable future. 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.

Planning for the development of the Houston Project has continued over the past year, although such planning is limited to the use of internal resources. Civil construction work that will be required to develop the project was re-tendered to three qualified contracting firms in 2014, resulting in a potential reduction in the capital cost to complete the access road and the railway siding.

During 2014, the Houston development plan was revised in response to lower iron ore prices and in order to reduce upfront capital. The revised plan is based on lower-cost dry crushing and screening only, with deferral of the originally proposed wet plant. It is also planned to construct a new rail siding near the Houston Mine. When the rail siding is complete, it will be used in conjunction with the Silver Yards rail siding to increase train loading capacity up to approximately 3 million tonnes per year, and will reduce the operating cost of overland haulage from the Houston Mine to the rail head.

Development of the Houston Project is subject to the availability of development financing. The conditions of any potential financing will include a requirement for the Company 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. There are no assurances that the Company will be successful in obtaining the required development financing and if the Company is unable to obtain such financing, the development of Houston will be postponed."

Mr. Kearney's remarks also included his views on current iron ore market conditions and the longer-term outlook for iron ore.

"Since the beginning of 2014, the price of iron ore has declined 60% to US$55 per tonne (62% Fe fines on a CFR China basis) currently, compared to an average price of US$135 per tonne in 2013 and US$97 per tonne in 2014.

Iron ore exports from Australia to China increased significantly in 2014, pushing spot prices to the lowest levels in six years and contributing to a growing global surplus. Inventories at Chinese ports reached record levels of over 100 million tonnes, 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.

The large producers have been able to remain profitable in spite of depressed iron ore prices because of lower production costs and have defended the strategy of boosting production, arguing that if they backed off competitors would take market share. However, they have been criticized for intentionally oversupplying the market to suppress iron ore prices to drive other producers out of business. The iron ore industry is re-consolidating and the larger lower cost miners such as Rio Tinto, BHP Billiton and Vale should continue to take market share as a result. The top four producers are re-asserting their status as an oligopoly in the market and currently control 55% of the supply. This dominant position is forecast to increase to 75% within the next two years and will likely result in more disciplined supply growth and less volatility in market prices.

Across the globe higher cost miners continue to shut capacity in response to low prices and the iron ore supply problem would appear to be subsiding to some extent. Commentators have noted that the excess supply problem in iron ore is being solved by low prices and that forecasted iron ore surpluses are shrinking, which could lead to a balanced supply/demand position by 2017, similar to the situation prevailing throughout 2013.

China's increasing steel intensity (steel usage per capita) has been driven by rapid economic growth and continued urbanization, leading to significant increases in the rate of residential construction, public infrastructure development and durable goods production. The recent collapse of the Chinese equity markets and some other indications of slower Chinese economic growth, including very weak domestic steel markets, have put that demand growth at risk. However, economic growth in China is expected to continue, although at a lower rate, and this continuing growth in demand should return iron ore supply-demand to a balanced situation, provided the "big three" producers show some market discipline."

Mr. Kearney pointed out the need for an overall restructure of the iron ore business in the Labrador Trough.

"All iron ore producers in the Labrador Trough have felt the impact of lower iron ore prices. The past year has seen the closure of both Cliffs Wabush Mine and its Bloom Lake Mine. To compete globally with the major iron ore producing regions in the rest of the world, it will be necessary to bring down costs of Canadian iron ore production.

Canada is on the opposite side of the world from the main iron ore market in China. Australia not only has a huge ocean freight advantage shipping to China, but Australian operating costs are generally lower than Canadian costs. It is difficult to compete globally if more than two thirds of operating costs are incurred on power, transport and ocean freight. To operate economically in this market environment, iron ore projects in Canada, including the Company's Schefferville Projects, need to reduce costs to be competitive.

"To compete globally with the rest of the world, we need to bring down costs for Canadian iron ore companies in the Labrador Trough. This is largely a function of infrastructure: transport and power. While extensive and existing infrastructure is in place, access to this infrastructure at reasonable commercial terms remains a huge challenge. Access to infrastructure is key to bringing down high Canadian costs."

In his closing remarks, John Kearney commented:

"LIM is seeking to negotiate revised commercial terms with its major contractors and suppliers. Operating cost saving initiatives are required all across the board, including with respect to mining costs, rail transportation, fuel procurement, aviation services, hydro-electric power, human resources and man power and corporate and administration costs.

LIM needs to secure additional financial resources to fund the development of our Houston project which is planned to form the core of LIM's activities for the foreseeable future. I am personally optimistic that with the co-operation of our stakeholders we will be able to restructure our operations and our finances.

However, this statement comes with a legal disclaimer and warning that there are no assurances that the Company will be successful in completing a financial restructuring, or in obtaining any required financing, or in obtaining financing on a timely basis or on reasonable or acceptable terms. If LIM is unable to successfully complete a financial restructuring in the CCAA process and obtain adequate additional financing on a timely basis, the Company will be required to curtail all operations and development activities and may be required to conduct a sales process to liquidate its assets. We are working very hard and making every effort to try to avoid this."

To view Mr. Kearney's full remarks as presented at the Annual Meeting held on September 15, 2015, please visit the Company's website at www.labradorironmines.ca.

MATTERS OF THE AGM

Election of Directors

All of the nominees for election as director: Messrs. John Kearney, William Hooley, Matthew Coon Come, Eric Cunningham, Gerry Gauthier and Danesh Varma, were unanimously re-elected as directors by a show of hands, to serve until the next annual general meeting of shareholders or until their successors are elected or appointed. The detailed results of the proxies submitted for the vote on the election of directors are as follows:

Director	Votes For	% of Votes For	Votes Withheld	% of Votes Withheld
John F. Kearney	25,795,621	92.60%	2,061,031	7.40%
D. William Hooley	26,980,021	96.85%	876,631	3.15%
Matthew Coon Come	26,977,071	96.84%	887,981	3.16%
Eric Cunningham	26,968,671	96.81%	887,981	3.19%
Gerry Gauthier	26,698,521	95.84%	1,158,131	4.16%
Danesh Varma	26,784,521	96.15%	1,072,131	3.85%

Re-Appointment of Auditors

McGovern Hurley Cunningham LLP Chartered Accountants were re-appointed as the Company's Auditors for the current year and the directors were authorized to fix the remuneration of the Auditors.

Confirmation of Amendment to the Corporation's By-Laws amending the quorum for Shareholder Meetings

By-Law No. 3 of the Corporation amending the Corporation's General By-Laws to change the quorum for the transaction of business at any meeting of shareholders to two shareholders present in person or by proxy and entitled to vote thereat was ratified by ballot with 94.07% of the proxies submitted voted in favor of ratification and 5.93% voted against.

* * * * * * * *

About Labrador Iron Mines Holdings Limited

Labrador Iron Mines (LIM) is engaged in the mining, exploration and development of its direct shipping (DSO) deposits located in the Schefferville/Menihek region of the prolific Labrador Trough. LIM commenced mining operations in 2011 and in the three year period of 2011, 2012 and 2013 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 Chinese spot market.

LIM's current focus is completing its financial restructuring and seeking additional financing. The Company is also working on development of its 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:

John F. Kearney Chairman and Chief Executive Officer Tel: (647) 728-4105	Rodney Cooper President and Chief Operating Officer Tel: (647) 729-1287

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.

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.