
LABRADOR IRON MINES REPORTS POSITIVE DRILL RESULTS ON ITS HOWSE DEPOSIT IN JOINT VENTURE WITH TATA STEEL MINERALS CANADA

Planning Underway for Howse Initial Production in 2016

Toronto, Ontario, September 18, 2014. **Labrador Iron Mines Holdings Limited** ("LIM" or the "Company") (TSX: LIM) reports positive drill results from its \$5 million exploration program on the Howse Deposit, held in joint venture with Tata Steel Minerals Canada ("TSMC") (LIM 49% / TSMC 51%). LIM is also pleased to provide an update on development and planning in support of initial production at Howse in 2016.

LIM's \$5.0 million Howse exploration program, which commenced in late 2013, comprised of 19 drill holes: six diamond and 13 reverse circulation ("RC") holes totalling 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% iron ("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.

Following the suspension of the exploration program in the winter, a second exploration program commenced in the summer of 2014 in order to maximize the collection of technical data under the current budget. A further 3,500 m of diamond and RC drilling is currently underway. LIM's remaining financial commitment of \$1.8 million for the 2014 Howse exploration program is fully funded.

The objective of the exploration program is to carry out infill drilling to define its first NI 43-101 compliant resource and to collect metallurgical, geotechnical, hydrogeological, and hydrology information in support of a Preliminary Economic Assessment ("PEA"). The PEA is scheduled for completion by early 2015, leading to the completion of a Feasibility Study later in 2015.

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

TSMC, the operator, 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.

Under the terms of the joint venture agreement, TSMC acquired an initial 51% participating interest in the Howse Property for a total cash payment to LIM of \$30 million.

Following completion of LIM's \$5.0 million exploration program, TSMC shall contribute the next \$23.5 million to the Joint Venture and thereby increase its participating interest in the Howse Deposit to 70%, following which the Howse Property will be held 70% by TSMC and 30% by LIM, with each party contributing and participating pro rata.

The Howse Deposit is located in Labrador, about 25 kilometres north of LIM's James Mine and Silver Yards processing facility and adjacent to TSMC's Timmins Area mines and processing plant (see Figure 1). The Howse Deposit has a historical resource of 28 million tonnes at a grade of 58% Fe (natural basis). Historical resources, which were estimated by the Iron Ore Company of Canada, are not compliant with NI 43-101 and have not been verified by a Qualified Person and the historical resource estimates should not be relied upon.

Figure 1: Location Map of Howse Deposit

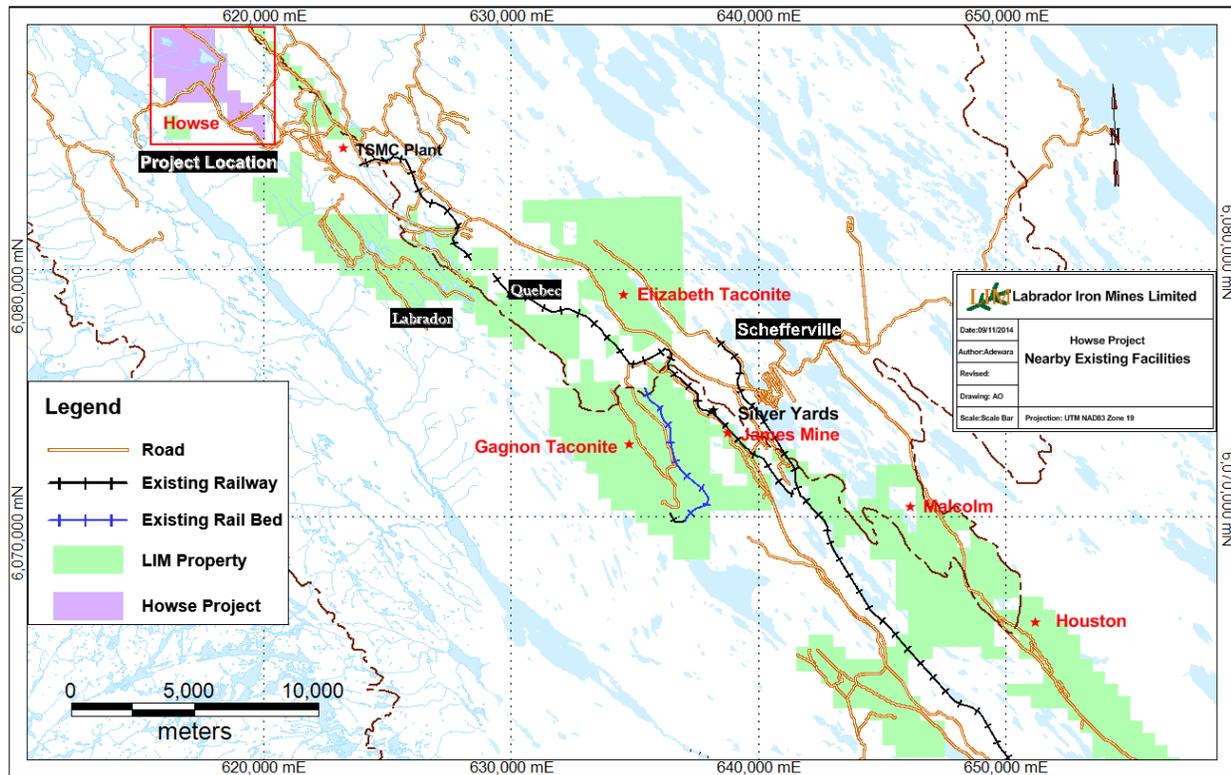


Table 1: Select Drill Hole Results from LIM's 2013 Howse Exploration Program

Hole ID	From	To	Length	Fe (%)	Mn (%)	P (%)	SiO ₂ (%)	Al ₂ O ₃ (%)
Diamond Drill Holes								
HW-DD13-01A	52.5	132	79.5	64.52	0.13	0.085	3.11	1.508
HW-DD13-02	42	84	42	58.33	0.07	0.062	11.04	1.656
HW-DD14-05	31.5	115.6	84.1	65.90	0.10	0.046	2.05	0.588
RC Drill Hole								
HW-RC13-07A	54	141	87	58.41	0.10	0.053	13.13	0.798

Note 1: Cut-off grade of 58.0% Fe.

Note 2: See Table 2 for full assay results on all holes drilled.

Table 2: Drill Results from Howse Exploration Program

Hole ID	From	To	Length	Fe (%)	Mn (%)	P (%)	SiO ₂ (%)	Al ₂ O ₃ (%)
HW-DD13-01A	52.5	132	79.5	64.52	0.13	0.085	3.11	1.508
HW-DD13-02	42	84	42	58.33	0.07	0.062	11.04	1.656
HW-DD14-04	43.5	111.2	67.7	61.84	0.11	0.069	5.24	1.150
HW-DD14-05	31.5	115.6	84.1	65.90	0.10	0.046	2.05	0.588
HW-DD14-06	31.5	48	16.5	65.02	0.15	0.048	2.98	1.131
HW-GT13-02	33.6	61.3	27.7	64.42	0.10	0.050	3.06	1.269
HW-RC13-01	42	69	27	64.15	0.07	0.087	3.41	1.496
HW-RC13-02	39	105	66	65.42	0.07	0.057	3.74	0.962
HW-RC13-03	42	69	27	64.98	0.07	0.065	4.16	1.394
HW-RC13-04B	No Significant Intersection							
HW-RC13-05	49.5	105	55.5	64.08	0.05	0.018	4.51	0.779
HW-RC13-06	42	81	39	64.76	0.06	0.032	3.99	0.618
HW-RC13-07A	54	141	87	58.41	0.10	0.053	13.13	0.798
HW-RC13-08	27	39	12	64.50	0.27	0.074	3.91	1.663
HW-RC14-10	27	36	9	62.57	0.10	0.049	9.24	0.513
HW-RC14-11	No Significant Intersection							
HW-RC14-12	36	45	9	62.92	0.06	0.068	4.23	0.983
HW-RC14-13	24	51	27	64.44	0.07	0.058	5.09	0.834
HW-RC14-14	24	36	12	63.96	0.20	0.081	5.31	1.448
HW-RC13-04	Hole Abandoned							
HW-RC13-09	Hole Abandoned							
HW-DD13-01	Hole Abandoned							
HW-RC13-04A	Hole Abandoned							

Note 1: Cut-off grade of 58.0% Fe.

Note 2: Depth of overburden, consisting of gravel and alluvium, is significant (~20 to 40 metres) and will influence mine design.

Qualified Person

This release has been prepared under the supervision of Michel Cormier, Vice President, Exploration of the Company and a Qualified Person within the meaning of NI 43-101.

Quality Assurance / Quality Control (QA / QC)

From the beginning of the 2008 RC drilling and trenching programs, LIM initiated a QA/QC protocol. This includes the systematic addition of in-house blanks, in-house reference standards, field duplicates, and preparation laboratory duplicates to approximately each 25 sample batch sent for analysis at Actlabs facilities.

About Labrador Iron Mines Holdings Limited (LIM)

Labrador Iron Mines (LIM) is a leader in the reactivation of the iron ore industry in the Schefferville/Menihek region, engaged in the mining, exploration and development of its portfolio of 20 direct shipping (DSO) deposits located in 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 has not recommenced 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 Stage 1 deposits and a strategic shift in corporate focus towards establishing a lower cost operating framework, while concurrently negotiating the commercial terms of major contracts. The Company's focus for 2014 is on advancing the development of the flagship Houston Project and seeking additional working capital and capital investment.

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

Keren Yun

Vice President, Investor Relations
and Communications

Tel: (647) 725-0795

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.