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LIM Completes C\$30 Million Bought Deal Public Equity Financing

TORONTO, ONTARIO. November 6, 2012. **Labrador Iron Mines Holdings Limited** (“LIM” or the “Company”) (TSX:LIM) announces that it has completed its previously announced bought deal public offering of C\$30,000,000 in common shares of the Company at a price of C\$1.00 per common share (the “Offering”). Canaccord Genuity Corp. (the “Underwriter”) acted as the sole underwriter with respect to the Offering.

The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes.

The Company issued 30,000,000 common shares pursuant to the Offering and now has 97,763,307 common shares outstanding after giving effect to the Offering.

The Company has also granted the Underwriter an over-allotment option to purchase up to 4,500,000 additional common shares, exercisable at any time for a period of 30 days after and including the closing date of the Offering, at a price equal to the offering price of C\$1.00 per common share.

The Offering was made pursuant to a short form prospectus filed in each of the provinces of Canada other than Quebec.

This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

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, with the sale of 400,000 tonnes of iron ore recorded in the first start-up year. The first full production season commenced in April 2012, with nine cape-size shipments totalling approximately 1,456,000 dry tonnes of iron ore sold in the seven months ended October 31, 2012.

The James Mine is connected by a direct rail link to the Port of Sept-Iles, Québec. The project 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 with a plan to increase production towards 5 million tonnes per year from a portfolio of 20 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 view the Company's website at www.labradorironmines.ca or e-mail: info@labradorironmines.ca:

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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. The historical resources referred to in this press release are based on work completed and estimates prepared by the Iron Ore Company of Canada (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.