

LABRADOR IRON MINES COMPLETES THIRD OPERATING YEAR WITH SALE OF APPROXIMATELY 1.7 MILLION TONNES OF IRON ORE IN 10 SHIPMENTS IN 2013

Toronto, Ontario, December 4, 2013. **Labrador Iron Mines Holdings Limited** (“LIM” or the “Company”) (TSX:LIM) reports the successful completion of 10 shipments of iron ore totalling approximately 1.7 million wet metric tonnes (“wmt”) for its 2013 operating year.

Ship 9, the Myrtalia, departed from the Port of Sept-Îles on November 22, 2013, carrying approximately 169,000 wmt of 58% Fe sinter product. Ship 10, the Anangel Sailor, is scheduled to depart the Port on December 4, 2013, carrying approximately 100,900 wmt of 62% Fe lump product.

With the sale of two shipments completed in November and early December, LIM has achieved its production target of approximately 1.7 million wmt in 10 cape-size shipments for 2013 (see Table 1). Inventory of approximately 57,000 tonnes of sinter and 40,000 tonnes of lump iron ore remains in the Port, which could not be shipped in 2013 because of freezing conditions in the Port.

Table 1: LIM’S 10 Shipments of Iron Ore in 2013

	Name	Date of Departure	62% Sinter	58% Sinter	62% lump
Ship 1	JK Pioneer	Jun-06-13	—	174,400	—
Ship 2	Cape Agnes	Jun-27-13	99,900	77,600	—
Ship 3	SamJohn Dream	Jul-19-13	186,300	—	—
Ship 4	Cape Althea	Aug-09-13	127,500	—	47,800
Ship 5	Hydra Warrior	Aug-31-13	175,000	—	—
Ship 6	Cape Northville	Sep-28-13	166,000	—	—
Ship 7	Kiran Turkiye	Oct-14-13	—	120,300	50,400
Ship 8	Rugia	Nov-06-13	—	168,300	—
Ship 9	Myrtalia	Nov-22-13	—	169,000	—
Ship 10	Anangel Sailor	Dec-04-13	—	—	100,900
Total Sinter and Lump (wmt)			754,700	709,600	199,100
Total 2013 Sales (wmt)			1,663,400		

LIM has now concluded its third operating season, as mining, processing and railing activities all wrapped up in November. LIM’s exploration program will continue through the winter months with five diamond and two reverse circulation drill rigs on site. To date, LIM has drilled approximately 10,000 metres (“m”), focusing mainly on the Howse, Houston and Gill Deposits. The full 14,000-m program is anticipated to be completed before year end.

LIM’s mining operations are seasonal (April to November), with a planned winter closure from December to March. Detailed planning for the upcoming 2014 operating season is now underway and operations will continue to be focused on its Stage 1 deposits, including the James Mine and other smaller satellite deposits and stockpiles, all located within a 15-kilometre radius of the Silver Yards processing plants. An assessment of the remaining life of James Mine has commenced to evaluate the economics of extraction in 2014 of the remaining ore in the bottom of the open pit and the down-dip depth extensions of some higher grade sections.

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LIM is also currently evaluating an interim plan to haul Houston ore to the Silver Yards process and rail loading facilities in 2014 as a first stage, lower initial capital approach for development of the Houston deposit. The Houston and the adjacent Malcolm deposits are estimated to together contain 40.6 million tonnes grading 57.6% Fe. When in full production, the Houston Project is expected to produce about 2.5 million tonnes of iron ore annually.

Development of the Houston Project is subject to the availability of financing. LIM is evaluating various financing alternatives or off-take arrangements, and/or other potential strategic options, to fund the planned first phase Houston development and related transportation expenditures. LIM is also seeking to pursue strategic initiatives aimed at permanent structural reductions in operating costs and revenue deductions.

In resuming its planned seasonal mining operations in the spring of 2014, LIM will incur regular winter stand-by costs from December 2013 to March 2014 and seasonal start-up mining, processing, rail and transportation and site administration expenses for the months of April and May 2014, before receipt of payment for its first shipment anticipated in June 2014, and will require working capital of approximately \$20 million to \$30 million to fund these operating expenses.

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. Initial production commenced at the James Mine and Silver Yards plant in June 2011 and through to the end of its third operating year, the Company has sold 3.5 million dry tonnes (approximately 3.8 million wet tonnes) in 23 shipments of iron ore into the Chinese spot market.

LIM completed its third operating season in November 2013, achieving its production target of 1.7 million wet tonnes of iron ore products in 10 cape-size shipments.

LIM's Silver Yards processing facility is connected by a direct rail link to the Port of Sept-Îles, Québec. The operation also benefits from established infrastructure including hydro power, the town, airport, 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 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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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 potential tonnage and grade referred to in this press release is conceptual in nature; there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

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. 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 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.