



Labrador Iron Mines Holdings Limited

PRESS RELEASE

LIM signs 2012 Iron Ore Sales Agreement with IOC

For Immediate Release

Toronto, Ontario. February 14, 2012. **Labrador Iron Mines Holdings Limited** (TSX: LIM) is pleased to report that it has entered into an agreement with the Iron Ore Company of Canada (“IOC”) for the sale of all of LIM’s 2012 iron ore production.

In 2011, LIM entered into an iron ore sale agreement with IOC under which approximately 412,000 (wet) tonnes of iron ore was shipped to China and sold on the Chinese spot market. A further approximately 178,000 tonnes remains in stockpile at the port of Sept-Iles awaiting shipping in the spring of 2012.

Under the 2012 confidential sales contract with IOC, the iron ore will be sold by IOC’s marketing organization on the spot market for delivery to Asian markets. LIM’s iron ore sales agreement with IOC enables utilization of Cape Size Ocean going ships, where current freight rates are lower than the alternative Panamax vessels.

Iron ore from LIM’s James Mine in northwest Western Labrador is transported by rail from its Silver Yards rail head, near Schefferville, via the TSH railway and the Quebec North Shore and Labrador (QNS&L) railway, to the Port of Sept-Iles where the ore is unloaded and stockpiled adjacent to LIM’s Point-aux-Basques dock facilities leased from the Port of Sept-Iles. Approximately 600,000 (wet) tonnes of LIM’s iron ore were transported by rail to the port of Sept-Iles during the second half of 2011.

In 2011, LIM entered into a life of mine, confidential rail transportation contract with QNS&L for the rail transportation of LIM’s products on the QNS&L railway. This contract provides for a confidential tariff, with capacity and volume commitments on the part of each party.

About IOC

IOC is Canada’s largest iron ore producer from its mines located in Western Labrador and is a leading global supplier of iron ore pellets and concentrates. IOC’s major shareholder and operator is the international mining group Rio Tinto which has activities in more than 40 countries throughout the world. IOC owns 100% of the Quebec North Shore and Labrador (“QNS&L”) railway and, at the port of Sept-Iles, owns established storage and ore handling facilities, including its ship dock capable of taking ocean going vessels up to 240,000 (dwt) tonnes.

About Labrador Iron Mines Holdings Limited

LIM is engaged in the production and development of its 100% owned Schefferville Area direct shipping iron ore (DSO) properties in the Labrador Trough of western Labrador and northeastern Quebec. The Company commenced production from the James Mine in June 2011 following the successful construction and commissioning of the mine and Silver Yards processing plant earlier in the year, and began shipping iron ore to China in the fall of 2011.

LIM contemplates mining in stages. The first phase of Stage 1 comprises the James Mine and the Silver Yard processing plant which is connected by a rail spur to the main Schefferville to Sept-Iles railway. Through a phased expansion program, LIM plans to grow its iron ore production through the subsequent development of adjacent deposits.

For further information, please view the Company's website at www.labradorironmines.ca or contact:

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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.