

LABRADOR IRON MINES FILES CCAA PLAN OF ARRANGEMENT

MEETINGS OF CREDITORS TO BE HELD DECEMBER 6, 2016

Toronto, Ontario, November 10, 2016. Labrador Iron Mines Holdings Limited (“LIMH”) and its subsidiaries, Labrador Iron Mines Limited (“LIM”) and Schefferville Mines Inc. (“SMI”) and collectively with LIMH and LIM, the “Company” or “LIM”), report that they have today filed a Plan of Compromise and Arrangement (the “Plan”) with the Ontario Superior Court of Justice (the “Court”). This filing marks a major milestone in the Court-supervised restructuring process under the Companies’ Creditors Arrangement Act (“CCAA”) to complete a restructuring of LIM’s business.

The Court has also ordered meetings of creditors of the Company to be held on Tuesday, December 6, 2016 to consider approval of the Plan.

On April 2, 2015, LIM instituted proceedings (the “CCAA Proceedings”) in the Court for a financial restructuring by means of a plan of compromise and arrangement under the CCAA. The Company initiated the CCAA Proceedings to provide an opportunity for the orderly restructuring of its business and financial affairs.

KSV Kofman Inc. is overseeing the Company’s CCAA proceedings as the court-approved Monitor.

THE PLAN

The Plan is intended to restructure LIM’s business to preserve its mining assets, permit the Company to continue its site activities in a standby mode in the near term and to position the Company to refinance an orderly resumption of its iron ore mining activities when economic conditions warrant.

The principal purposes of the Plan are to convert the debts of LIMH into equity in LIMH and the debts of LIM and SMI into equity in LIM and Houston Iron Royalties Limited (“RoyaltyCo”), a newly-formed corporation that will have the right to receive a royalty equal to 2% of the sales proceeds (FOB Port of Sept-Îles) received by the Company from sales of iron ore from the Company’s Houston and Malcolm properties.

The Plan contemplates two classes of creditors, namely a class of unsecured creditors having claims against LIMH, and a class of unsecured creditors having claims against LIM and SMI.

Under the Plan, creditors with claims of \$5,000 or less, or creditors with larger claims who elect to reduce their claims to \$5,000 (collectively “Convenience Claims”) will be paid in cash.

As a result, creditors with claims against LIM or SMI (other than those with Convenience Claims) will acquire, as a group, a significant equity interest in LIM (up to 49%). In addition, creditors of LIM or SMI will also acquire a 100% interest in RoyaltyCo. Creditors with claims against LIMH (other than those with Convenience Claims) will acquire, as a group, a significant equity interest in LIMH (up to 25%).

The Plan creates a framework that will permit the Company to sustain itself pending the recovery of iron ore prices, and affords creditors an opportunity to recover their debts through their equity participation in the future profits of the Company's business.

The Plan is being put forward by the Company in the expectation that all Creditors, stakeholders and other Persons with an economic interest in LIM and its business will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy or immediate liquidation. The Monitor concurs in this conclusion and has also expressed the view that the Plan is fair and reasonable.

The above description is a summary only and is subject to final provisions of the Plan.

CREDITORS' MEETINGS

To become effective under the CCAA, the Plan must be submitted to meetings of creditors of each class and approved by the favourable vote of 50% of the number of creditors in each class who vote at such meetings (in person or by proxy) holding 66 2/3% of the value of claims voted in each class. Creditors in each class who hold Convenience Claims will be deemed to have voted their claims in favour of the Plan. In addition, the Plan must be sanctioned by the Court following approval by creditors.

Based on their discussions with their key stakeholders, the Company anticipates that there will be sufficient creditor support for the Plan to be approved by the required majority of creditor votes.

The Court has ordered that meetings of creditors of each class be held on Tuesday, December 6, 2016 commencing at 10:00 am at the offices of the Company's counsel, Paliare Roland Rosenberg Rothstein LLP, Barristers, 155 Wellington Street West, 35th floor, Toronto Ontario M5V 3H1.

As soon as practicable after today's Court order, the Monitor will send meeting materials, including a notice of meeting, related form of proxy and convenience claim election form to creditors by regular mail, facsimile, courier or email at their last known address. At the same time, the Monitor will post a copy of these meetings materials, including their report on the Plan, on the Monitor's website and publish a notice of the meetings in newspapers in Toronto, Sept-Îles and St. John's.

* * * * *

The Court Order and related Court documents may be viewed on the Monitor's website at: <http://www.ksvadvisory.com/insolvency-cases/labrador-iron-mines-holdings-limited/>.

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:

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. A Feasibility Study has not been conducted on any of the Company's Schefferville Projects.

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.