



LABRADOR IRON MINES REPORTS SECOND QUARTER SEPTEMBER 30, 2022 RESULTS

Toronto, Ontario, Canada, November 14, 2022. **Labrador Iron Mines Holdings Limited** (the “Company”) (OTC Pink: LBRMF) reports its financial results for the second fiscal quarter ended September 30, 2022.

This News Release should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and Management’s Discussion and Analysis for the three and six months ended September 30, 2022, which are available on the Company’s website at www.labradorironmines.ca or under the Company’s profile on SEDAR (www.sedar.com).

All currency references in this news release are expressed in Canadian dollars, unless otherwise indicated.

OVERVIEW

The Company, through its majority owned subsidiaries Labrador Iron Mines Limited (“LIM”) and Schefferville Mines Inc. (“SMI”), is engaged in the exploration and development of iron ore projects situated in the Menihek area of western Newfoundland and Labrador and northeastern Quebec, near the town of Schefferville, in the central part of the Labrador Trough region of eastern Canada, one of the major iron ore producing regions in the world.

The Company’s current focus is planning activities related to advancing the Houston Project, LIM’s flagship property. The Houston Project is an open pit direct shipping iron ore project located near the town of Schefferville, on which an updated, independent Preliminary Economic Assessment was completed in February 2021 and demonstrated production of 2 million dmt of DSO per year, with an initial 12-year mine life, for total production of 23.4 million dmt of product at 62.2% Fe over the life of the mine.

LIM is advancing development of the Houston Project through a number of initiatives, including: discussing an off-take agreement, including construction financing and product sale components; advancing commercial negotiations with construction contractors, equipment vendors, rail, port and logistics counterparties; and planning metallurgical test work of drill core collected from the Houston Project in a 2013 bulk sample, to refine the product characterization and specifications which will be helpful in marketing the iron ore.

AGREEMENT WITH SCULLY ROYALTY LTD.

In order to fund these near term initiatives and provide ongoing working capital, on July 5, 2022, the Company entered into an agreement for a US\$4,000,000 strategic investment by Scully Royalty Ltd. (“Scully”) consisting of a US\$3,000,000 equity component alongside a US\$1,000,000 convertible credit facility. This investment had not been completed by Scully as of the date of this News Release.

Under the Investment Agreement Scully agreed to subscribe for 13,043,478 common shares of the Company at a price of US\$0.23 per share, for gross proceeds of US\$3,000,000, and become a strategic shareholder, holding approximately 7.4% of the Company’s shares on closing. In addition, through a subsidiary, Scully agreed to provide an unsecured, convertible, US\$1,000,000 credit line to the Company, with a five-year term, at an interest rate of 6.8%, and convertible at US\$0.31 per share, among other standard terms and conditions.

Additionally, under a related Asset Acquisition Agreement, LIM, the operating subsidiary of the Company, agreed to establish Labrador Iron Mines Limited Partnership (“LIMLP”), which will hold and develop the Houston Project. LIM

will be the General Partner and project operator and a subsidiary of Scully will be the Limited Partner of LIMLP. Scully will have the first right to propose Project Debt Financing for the development of the Houston Project.

Closing of the strategic investment, which is subject to customary closing conditions, was initially expected to occur by the end of July 2022, which was then extended to the end of August to allow time to obtain certain necessary regulatory approvals.

Under the Investment Agreement and the related Asset Acquisition Agreement, the closing Outside Date was initially agreed as August 31, 2022, and subsequently was extended to September 14, 2022. The proposed transactions were not completed by Scully by the agreed Outside Date of September 14, 2022 or by the date of this News Release. Scully has sought modifications to the agreed terms of the Investment Agreement and to the form of the related Investor Rights Agreement, which modifications have not been agreed to by the Company. The Investment Agreement may be terminated by notice given by either Party as the Asset Acquisition had not been completed by the Outside Date.

If Scully does not complete the investment, the Investment Agreement will be terminated and the proposed transactions with Scully will not take place. The Company is exploring various financing alternatives, including a potential private placement of equity.

FINANCIAL RESULTS – THREE MONTHS ENDED SEPTEMBER 30, 2022

On a consolidated basis, the Company reported a loss of \$167,066, or \$0.00 per share during the three months ended September 30, 2022, compared to net income of \$788,950, or \$0.00 per share, during the same three month period of the previous year.

The loss of \$167,066 in the current three month period was mainly attributable to site costs of \$19,184 and corporate and administrative costs of \$139,829. Net income of \$788,950 in the same period in the previous year was mainly attributable to a rehabilitation provision recovery of \$1,032,567, offset by site costs of \$108,016, corporate and administrative costs of \$73,722 and share-based compensation of \$62,288.

Site costs include the expenditures required to maintain the Company's mineral properties in good standing. Share based compensation represents the expense of restricted share units recognized during the period using the graded vesting method of expense recognition. Rehabilitation provision recovery represents the difference between the actual rehabilitation expenditures incurred during the period and the previously estimated costs that formed the basis of the rehabilitation liability discharged.

At September 30, 2022, the Company had current assets of \$52,495, consisting of cash and accounts receivable. The Company had no long term debt, other than a \$40,000 loan under the Covid-related Canada Emergency Business Account program.

IRON ORE MARKET

Similar to recent years, the iron ore market has been very volatile so far in calendar 2022. While averaging US\$140 per tonne (62% Fe Sinter Fines CFR China) for the first six months to June 30, 2022, the price ranged between US\$125 and US\$98 per tonne in the quarter ended September 30 and subsequently declined to US\$80 per tonne in early November, with the general trend being negative.

This general negative price trend has been attributed to a slowdown in Chinese homebuilding combined with Beijing's zero-Covid strategy that has dampened demand for the steelmaking raw material. Analysts say iron ore supply is outstripping demand as China builds fewer new homes, while the Communist Party congress in October

disappointed those who had hoped for policies to revive the property market. At the same time, authorities continue to impose snap lockdowns to contain Covid-19 outbreaks.

There are some bright spots for steel demand and, hence, iron ore demand. China is spending more on infrastructure, and auto makers are expanding output after the pandemic disrupted supply chains.

As for the outlook for 2023, much will depend on how the Covid situation unfolds in China as the central government eases excessive Covid control measures. Many analysts believe that once lockdowns are ended, the 2023 construction season will be strong and pent-up demand could lead to a surge in industrial and real estate activity in China, which, combined with the potential for continued interruption in supply from Ukraine, is expected to lead to a strengthening of the iron ore market.

OUTSTANDING SHARE CAPITAL

Labrador Iron Mines Holdings Limited currently has 162,364,427 common shares issued and outstanding.

The common shares of the Company trade on the OTC Pink Open Market under symbol LBRMF.

The Company continues in good standing as a Reporting Issuer in all the Provinces of Canada, and in compliance with all the requirements of the Securities Acts and Securities Regulations in Canada. All public filings of the Company may be inspected under the Company's profile on SEDAR at www.sedar.com.

ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

Labrador Iron Mines Holdings Limited, through its majority owned subsidiaries Labrador Iron Mines Limited ("LIM") and Schefferville Mines Inc. ("SMI"), owns extensive iron ore resources in the central part of the Labrador Trough region, one of the major iron ore producing regions in the world, centered near the town of Schefferville, Quebec.

LIM's current focus is on planning activities related to the development of its Houston Project and, subject to securing development financing, LIM is positioned to resume project development and production of direct shipping iron ore from the Houston deposits at the earliest opportunity. In the three-year period of 2011, 2012 and 2013 LIM 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 China spot market.

In March 2021, the Company reported the results of an independent Preliminary Economic Assessment ("PEA") on its Houston Project prepared by RPA, now part of SLR Consulting Ltd. The Technical Report on the PEA, prepared in accordance with National Instrument 43-101, may be viewed under the Company's profile on SEDAR, or on the Company's website.

In addition to its Houston Project, LIM holds approximately 50 million tons in historical DSO resources in various deposits. LIM also holds the Elizabeth Taconite Project, which has an Inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe.

For further information, please visit LIM's website at www.labradorironmines.ca or contact:

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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 News 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.