



LABRADOR IRON MINES REPORTS SECOND QUARTER SEPTEMBER 30, 2018 RESULTS

Toronto, Ontario, November 27, 2018. **Labrador Iron Mines Holdings Limited** (the “Company”) (OTC: LBRMF) reports its financial results for its second fiscal quarter ended September 30, 2018.

This News Release should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and Management’s Discussion & Analysis (“MD&A”) for the three and six months ended September 30, 2018, which are available on the Company’s website at www.labradorironmines.ca or under the Company’s profile on SEDAR (www.sedar.com).

OVERVIEW

Labrador Iron Mines Holdings Limited (“LIMH”), through its majority owned subsidiaries Labrador Iron Mines Limited (“LIM”) and Schefferville Mines Inc. (“SMI”), is engaged in the exploration and development of direct shipping iron ore (“DSO”) projects in the central part of the Labrador Trough region, one of the major iron ore producing regions in the world, situated in the Menihek area in the Province of Newfoundland and Labrador and in the Province of Quebec, centered near the town of Schefferville, Quebec.

LIM owns extensive iron ore resources and facilities as well as numerous mineral exploration claims in Newfoundland and Labrador and in Quebec (collectively, the “Schefferville Projects”).

LIM holds NI 43-101 compliant measured and indicated mineral resources of approximately 54.8 million tonnes at an average grade of 56.8% Fe and inferred resources of 5.0 million tonnes at an average grade of 55.6% Fe on its Schefferville Projects. [NI 43-101 report, entitled “Technical Report: Schefferville Area Phase 1 DSO Iron Projects Resource Update, Western Labrador – NE Quebec, Canada” dated effective June 27, 2014, reports resources as at March 31, 2014.]

LIM also holds approximately 80 million tonnes in historical resources previously identified by IOC. Approximately 28% of these original deposits have been upgraded or converted into NI 43-101 compliant resources through contemporary work programs, leaving 58 million tonne as historical IOC estimates.

LIM also holds the Elizabeth Taconite Project (“Elizabeth”), which has a NI 43-101 compliant inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe. Elizabeth represents an opportunity for LIM to develop a major new taconite operation in the Schefferville region of the Labrador Trough.

Taconites require upgrading through a concentrator involving a major capital investment to produce a saleable iron ore product but that product with an expected grade of greater than 68% Fe would attract premium pricing in today’s iron ore market.

The Elizabeth Taconite Project is located approximately four kilometres west of LIM's former James Mine and is advantageously situated with direct access to existing roads, rail bed and power line corridor. The initial Elizabeth target measures approximately four km long and is made of magnetite and hematite dominant zones. There is significant potential for resource expansion as the deposit remains open along strike to the northwest and southeast.

The proposed mining method for the Elizabeth Project has been conceptualised as an open pit operating at 18 Mt per year producing approximately 5 million tonne per annum ("Mtpa") wet concentrate production over an expected 34-year mine life. Over the projected life of mine, total production would be approximately 172 million tonnes of iron ore concentrate.

Development of the Elizabeth Project would be subject to the availability of development and construction financing. There are no assurances that LIM would be successful in obtaining the required financing for the further development and potential construction of the Elizabeth Project.

LIM has not undertaken mining operations since 2013, primarily due to the low iron ore price, but maintains its properties on a stand-by care and maintenance basis and, subject to securing financing, is positioned to resume development and mining operations as soon as the iron ore price outlook and economic conditions warrant.

Site activities during the three and six months ended September 30, 2018, consisted mainly of property maintenance, environmental monitoring and site standby activities. The Company's environmental monitoring and reporting requirements, which consisted of monitoring and reporting water quality and fish habitat conditions in the lakes and tributaries surrounding the former James Mine, concluded at the end of June 2018, following completion of five years of post mine closure monitoring.

FINANCIAL RESULTS – QUARTER ENDED SEPTEMBER 30, 2018

The Company reported net income of \$0.1 million, or \$0.00 per share, during the quarter ended September 30, 2018, compared to a net loss of \$0.02 million, or \$0.00 per share, during the same quarter of the previous fiscal year.

Net income of \$0.1 million in the current fiscal year's second quarter was mainly attributable to a gain of \$0.45 million on the sale of property and equipment, offset by site costs of \$0.15 million and corporate and administrative costs of \$0.2 million. The net loss of \$0.02 million in the previous fiscal year's first quarter was mainly attributable to site costs of \$0.18 million and corporate and administrative costs of \$0.27 million, offset by impairment reversals of \$0.44 million related to previously impaired property, plant and equipment.

Site costs declined due to water monitoring requirements ending in June 2018 and have been partly offset by third party revenue earned by the Company at its rail car repair facility in Sept-Iles, Quebec. Corporate and administrative costs also declined, reflecting a continuous rationalization of staff levels, office space and related costs.

At September 30, 2018 the Company had working capital of \$0.4 million and no long term debt. The Company had current assets of \$1.1 million, consisting of \$0.1 million in unrestricted cash, \$0.1 million in restricted cash, \$0.4 million in accounts receivable and prepaid expenses and \$0.5 million in assets held for sale. As at September 30, 2018, the Company also held \$2.1 million in non-current restricted cash.

LIM made no capital expenditures on property, plant and equipment or its mining properties during the second fiscal quarter and continues to conduct the expenditures required to maintain its mineral claims in good standing.

ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

Labrador Iron Mines is engaged in the mining, exploration and development of its iron ore deposits located in the Schefferville/Menihek region of the prolific Labrador Trough. LIM owns extensive iron ore resources and facilities as well as numerous mineral exploration claims in Newfoundland and Labrador and in Quebec.

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. LIM has not undertaken mining operations since 2013, primarily due to the low iron ore price, but maintains its properties on a stand-by care and maintenance basis.

Subject to securing financing, the Company is positioned to pursue development of its Houston Project and/or advancement of its Elizabeth taconite project, and resume mining operations as soon as the iron ore price and economic conditions warrant.

For further information, please visit LIM's website at www.labradorionmines.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 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.