



**LABRADOR IRON MINES REPORTS
SECOND QUARTER SEPTEMBER 30, 2020 RESULTS
Preliminary Economic Assessment (PEA) on Houston Project Continuing**

Toronto, Ontario, Canada, November 30, 2020. **Labrador Iron Mines Holdings Limited** (“LIM” or the “Company”) (OTC: LBRMF) reports its financial results for the three and six months ended September 30, 2020.

This News Release should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and Management’s Discussion and Analysis (“MD&A”) for the three and six months ended September 30, 2020, 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 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 as well as mineral exploration claims in Newfoundland and Labrador and in Quebec (collectively, the “Schefferville Projects”). LIM holds measured and indicated DSO mineral resources of approximately 55 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. LIM also holds approximately 50 million tonnes in historical resources in various deposits.

In addition, LIM 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.

In light of persistently stronger iron ore prices over the past two years, and with increased inquiries and expressions of interest from potential off-takers seeking iron ore supply and encouragement from local indigenous stakeholders, LIM is now working to advance Stage 2 of its planned direct shipping ore mining operations, which involves the development of its Houston Project, located about 20 km southeast of Schefferville. Subject to securing development financing, LIM is working to commence production of direct shipping iron ore from the Houston deposits at the earliest opportunity.

As the appropriate next step to advance the Houston Project, LIM has engaged Roscoe Postle Associates Inc. (RPA), now part of SLR Consulting Ltd. (SLR), to complete an independent Preliminary Economic Assessment (PEA) and a current NI 43-101 compliant technical report on the Houston deposit to be used for consideration of possible financing options to advance the Houston Project. The PEA is expected to be completed around the end of 2020.

OPERATIONS UPDATE

A limited rehabilitation program of top-soil spreading with seeding and re-vegetation was completed during the summer of 2020, which cost approximately \$150,000 in contractor costs.

LIM followed the instructions and advice of Provincial and Federal health authorities, as well as industry-wide best practice guidelines, to help limit the spread of Covid-19 and protect local communities. In June 2020, the Minister of Natural Resources announced measures to assist the mining, and mineral exploration industries in Newfoundland and Labrador during the Covid-19 global pandemic, including deferring rental and fee payments and waiving mineral expenditure requirements for 2020. LIM's obligations deferred as a result of this relief include mining and surface lease rentals and mineral licence renewal fees. Additionally, LIM's mineral expenditure requirement planned for 2020 has been waived.

The Province of Quebec also announced Covid-related relief measures to assist the mining and minerals industry in Quebec. All claim renewals and work commitments have been waived for one year beginning April 9, 2020.

IRON ORE PROJECTS

LIM's Schefferville Projects now consist of the Houston Property and, subject to further exploration and development, other iron ore properties in the vicinity of Schefferville, including the Elizabeth Taconite Property.

Houston, which is LIM's principal asset, is situated in Labrador about 20 kilometres southeast of the town of Schefferville, Quebec. Together with the Malcolm deposit, considered to be its northwest extension, Houston is estimated to contain a NI 43-101 resource of 40.6 million tonnes of direct shipping ore (DSO) grading 57.6% Fe.

The Houston development plan is based on lower-cost dry crushing and screening only. When in full production, Houston is expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of about 10 years.

Development of the Houston Project, which is planned as LIM's next DSO project, is subject to the availability of development financing, and securing such development financing requires market confidence that the current improved level of iron ore prices will be sustained. LIM continues to monitor iron ore market conditions as they relate to the availability of development financing.

IRON ORE MARKET

For the past two years the iron ore price has often exceeded US\$100/tonne (62% Fe/CFR China). This has been a function of both supply disruptions but also steady and increasing demand from China, which demand shows no signs of declining.

In January 2020, the price temporarily declined to approximately US\$80/tonne, due to the initial impact of the Covid-19 pandemic, which caused a short-term curb in China's steel production due to public health measures. By mid-February 2020, however, China's steel production began to increase again, based on significant government stimulus programs (geared primarily towards transportation and civic infrastructure and industrial parks) and an improving domestic public health situation. China's industrial output in September surpassed all expectations, with daily run-rates for steel hitting all-time highs as state spending accelerated and the nation's producers fed rising demand in sectors like construction and automobiles.

On the supply side in 2020, Brazil was particularly hard-hit by the Covid-19 pandemic which, exacerbated by earlier

dam failures, interrupted the country's iron ore production resulting in a tight supply in the global iron ore market.

The cumulative impact of robust demand in China and tight supply led to a significant increase in the price of iron ore during the first three quarters of 2020. In September 2020, the price reached US\$130/tonne, the highest in more than six years.

Although the price has eased somewhat in October and November, market commentators are generally confident that continuing strong demand from China will support a robust iron ore market. Going forward, a significant global economic recovery driven by Covid-19 recovery stimulus programs expected worldwide in 2021 should create strong demand for steel production and a supportive price floor for iron ore in the US\$100/tonne range.

FINANCIAL RESULTS – THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2020

On a consolidated basis, the Company reported net income of \$249,547, or \$0.00 per share during the three months ended September 30, 2020, compared to a net loss of \$364,114, or \$0.00 per share, during the same period of the previous year.

The net income of \$249,547 in the current three month period was mainly attributable to site management costs of \$76,645 and corporate and administrative costs of \$96,518, offset by a rehabilitation provision recovery of \$172,900 and assignment of rights income of \$250,000. The net loss of \$364,114 in the same period in the previous year was mainly attributable to site management costs of \$195,772 and corporate and administrative costs of \$174,365.

On a consolidated basis, the Company reported net income of \$132,098, or \$0.00 per share during the six months ended September 30, 2020, compared to a net loss of \$629,476, or \$0.00 per share, during the same period of the previous year.

The net income of \$132,098 in the current six month period was mainly attributable to site management costs of \$96,148 and corporate and administrative costs of \$193,127, offset by a rehabilitation provision recovery of \$172,900 and assignment of rights income of \$250,000. The net loss of \$629,476 in the same period of the previous year was mainly attributable to site management costs of \$304,407 and corporate and administrative costs of \$329,333.

The rehabilitation provision recovery in the current period reflects the difference between the actual rehabilitation costs incurred during the period compared to the originally estimated rehabilitation costs that formed the basis of the rehabilitation liability discharged.

The Company assigned certain rights in a rail siding to a third party during the current period and received preliminary cash consideration of \$250,000, leading to assignment of rights income of \$250,000 being recognized during the period.

The Company also received full payment during the current period of the \$200,000 hold-back that was outstanding from the sale of the Centre Ferro industrial facility that closed in March 2020.

The Company continues to conduct the expenditures required to maintain its core mineral claims in good standing, although such expenditures were minimal during the current period as a result of Covid-19-related relief measures in both Newfoundland and Labrador and Quebec.

At September 30, 2020, the Company had positive working capital of \$53,174 and no long term debt, other than a \$40,000 loan under the Covid-19-related Canada Emergency Business Account program. At quarter end the Company had current assets of \$718,566, consisting of \$254,478 in unrestricted cash, \$434,505 in restricted cash and \$29,583 in accounts receivable. The Company also held \$947,963 in non-current restricted cash.

OUTSTANDING SHARE CAPITAL

The Company 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 of 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 LIM and 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.

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'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.

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.