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Preliminary Economic Assessment (PEA) on Houston Project Underway

Annual Meetings of Shareholders

Voting Results at AGM

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News Release

Toronto, Ontario, October 29, 2020. **Labrador Iron Mines Holdings Limited** (OTC: LBRMF) (“LIMH” or the “Company”) held its Annual Meeting of Shareholders on October 28, in Toronto, Canada.

At the meeting, **John Kearney, Chairman and Chief Executive Officer**, reported to shareholders: *“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”.*

**PRELIMINARY ECONOMIC ASSESSMENT (PEA) UNDERWAY ON HOUSTON PROJECT**

Development of the Houston Project will require development financing, and to assist in securing such financing and as the appropriate next step to advance the 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 Technical Report on the Houston Project to be used for consideration of possible financing options to advance the Houston Project.

RPA is a world-leading mining advisory business with teams in Toronto, Quebec, Vancouver, Denver, and London, and includes geological, mining and metallurgical consultants who have provided expertise and advice on every continent to clients in the mining industry for more than 35 years. RPA/SLR is uniquely qualified to carry out this work as it has extensive relevant iron ore experience on many projects in Canada (including Schefferville and Labrador) and in other parts of the world. In 2019 RPA was acquired by SLR Consulting Ltd, a global leader in environmental and advisory solutions.

The Houston property is situated in Labrador about 20 km southeast of the town of Schefferville, Quebec. The Houston deposits, together with the Malcolm deposit, considered to be its northwest extension in Quebec, are estimated to contain a combined current measured and indicated resource of 40.6 million tonnes grading 57.6% iron (“Fe”)<sup>1</sup>. The PEA will focus on a higher grade subset of this resource suitable for direct shipping using dry crushing and screening only.

It is anticipated that four open pits would be developed sequentially to produce an average of 2 million tonnes per year of direct shipping iron ore (lump and sinter).

It is expected that the PEA will be completed before the end of 2020.

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<sup>1</sup> Technical Report entitled “*Technical Report Mineral Resource Update of the Houston and Malcolm 1 Property, Labrador West Area, Newfoundland and Labrador and North Eastern Quebec Canada, for Labrador Iron Mines Holdings Limited*” dated effective April 24, 2013 by Maxime Dupéré, P.Geol. of SGS Canada Inc. and Justin Taylor P.Eng. of DRA Americas Inc., both of whom are Qualified Persons and independent persons of the Company within the meaning of NI 43-101, filed on SEDAR, may be viewed under the Company’s profile at [www.sedar.com](http://www.sedar.com).

## **STRONGER IRON ORE MARKET CONDITIONS**

For the past two years the iron ore price has persistently 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.

The iron ore market in the first half of 2019 was characterized by significant supply disruptions, particularly in Brazil and Australia, which caused a rapid rise in the iron ore price. After beginning 2019 at US\$70/tonne, the price rose to a 5 year high of US\$126/tonne in early July 2019, before falling back in the second half of the year to US\$85-US\$90/tonne range. 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. By July 2020, China was on track to break its previous annual record of steel production and associated iron ore imports. 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, 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.

## **LIM'S ONGOING OPERATIONAL AND RECLAMATION ACTIVITIES**

During the past several years, LIM has continued to conduct a variety of operational activities with the objective of preserving its assets, and in particular undertaking the reclamation and rehabilitation of the completed Stage 1 mining operations which have been in progressive reclamation since the termination of mining at the James Mine in 2014.

In the summer of 2019, LIM substantially completed the rehabilitation of its Silver Yards plant site and during the summer of 2020 a rehabilitation program of topsoil spreading with seeding and re-vegetation was undertaken. LIM has now effectively completed its environmental regulatory requirements relating to rehabilitation of the Stage 1 James Mine and associated Silver Yards site infrastructure, with all environmental and regulatory obligations substantially satisfied, paving the way for moving forward to Stage 2 and the development of Houston.

### Summer Exploration Programs

In the summer of 2019, LIM conducted a field exploration program on its mineral licences in Labrador. This was the first exploration program undertaken in several years. The objectives of this exploration program were to maintain LIM's mineral licenses in good standing, examine potential extensions to known mineralization, evaluate extensions to existing open pit mines adjacent to LIM mineral licences, and to identify the potential for buried, higher grade, DSO iron ore deposits in areas of glacial till cover.

Throughout 2020, to help limit the spread of Covid-19 and protect local communities, LIM followed the instructions and advice of Provincial and Federal health authorities, as well as industry-wide best practice guidelines. As a result, no field exploration programs were carried out in 2020 and, because of government Covid-19 relief measures, LIM's mineral expenditure requirements for 2020 have been waived.

### LABRADOR IRON MINES HOLDINGS LIMITED AGM

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#### *Election of Directors*

All nominees for election as directors: Messrs. John Kearney, William Hooley, Matthew Coon Come, Eric Cunningham, Gerry Gauthier, Brendan Lynch and Danesh Varma, were unanimously re-elected as directors, cast by a single ballot in accordance with the proxies filed, to serve until the next annual general meeting of shareholders or until their successors are elected or appointed.

The detailed results of the proxies submitted for the vote on the election of directors are as follows:

<b>Director</b>	<b>Votes For</b>	<b>% of Votes For</b>	<b>Votes Withheld</b>	<b>% of Votes Withheld</b>
John F. Kearney	24,125,298	100%	Nil	0%
D. William Hooley	24,125,298	100%	Nil	0%
Matthew Coon Come	24,125,298	100%	Nil	0%
Eric Cunningham	24,125,298	100%	Nil	0%
Gerry Gauthier	24,125,298	100%	Nil	0%
Brendan Lynch	24,125,298	100%	Nil	0%
Danesh Varma	24,125,298	100%	Nil	0%

#### *Re-Appointment of Auditors*

McGovern Hurley LLP Chartered Professional Accountants were re-appointed as the Company's Auditors for the current year and the directors were authorized to fix the remuneration of the Auditors.



## ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

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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.

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](http://www.LabradorIronMines.ca) or contact:

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Chairman and Chief Executive Officer

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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.*