LABRADOR IRON MINES HOLDINGS LIMITED

News Release

LABRADOR IRON MINES REPORTS FISCAL 2019 YEAR END RESULTS

Toronto, Ontario, July 30, 2019. **Labrador Iron Mines Holdings Limited** (the "Company") (OTC: LBRMF) reports its financial results for its fiscal year ended March 31, 2019.

This News Release should be read in conjunction with the Company's audited consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the year ended March 31, 2019, which are available on the Company's website at www.labradorironmines.ca or under the Company's profile on SEDAR (www.sedar.com).

FINANCIAL RESULTS – FISCAL YEAR ENDED MARCH 31, 2019

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 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.

The Company reported a loss of $0.6 million, or $0.00 per share during the year ended March 31, 2019, compared to a loss of $1.2 million, or $0.01 per share, during the previous fiscal year.

The loss of $0.6 million in the current year was mainly attributable to site costs of $0.4 million and corporate and administrative costs of $0.7 million, offset by a gain on sale of property and equipment of $0.5 million and a rehabilitation provision recovery of $0.1 million. The loss of $1.2 million in the previous year was mainly attributable to site costs of $0.5 million and corporate and administrative costs of $1.1 million, offset by an impairment reversal of $0.4 million relating to plant and equipment.

Corporate and administrative costs continue to decline, reflecting a reduction in staff levels and a previous rationalization of office space and related costs.

At March 31, 2019 the Company had working capital of $0.11 million and no long term debt. The Company had current assets of $0.64 million, consisting of $0.076 million in unrestricted cash, $0.06 million in accounts receivable and $0.50 million in assets held for sale. As at March 31, 2019, the Company also held $1.9 million in non-current restricted cash. LIM made no capital expenditures on property, plant and equipment or its mining properties during the year and LIM continues to conduct the expenditures required to maintain its mineral claims in good standing.

OPERATIONS SUMMARY

LIM's Houston property near Schefferville is estimated to contain a resource of 40.6 million tonnes grading 57.6% iron ("Fe"). The development plan is based on lower-cost dry crushing and screening only. When in full production, the Houston Project is expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of about 10 years.

LIM also holds the Elizabeth Taconite Project which has a compliant inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe. The proposed mining method for the Elizabeth Project has been conceptualised as an open pit operating at 18 million tonnes per year producing approximately 5 million tonnes per year concentrate production over an expected 34-year mine life and with an expected grade of higher than 68% Fe, which would attract premium pricing in today's iron ore market,

LIM has not undertaken mining operations since 2013, primarily due to generally unfavourable iron ore market conditions during that time. The Company has, however, continued to maintain its properties on a stand-by care and maintenance basis and also continues to conduct the expenditures required to maintain its mineral claims in good standing, although a number of non-core mineral claims have been dropped or surrendered.

The price of iron ore increased significantly in the first half of 2019, reaching a five year high of over US$120 in July 2019, largely as a result of supply disruptions in Brazil. Notwithstanding the improvement in iron ore prices, LIM does not plan to undertake mining operations during 2019. 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 level of iron ore prices will be sustained. As described further under "Iron Ore Market Conditions" below, some uncertainty exists about the iron ore market in 2020 and beyond. LIM will continue to monitor iron ore market conditions as they relate to the availability of development financing, however even if such development financing were available it is unlikely that production could begin at Houston until 2020 at the earliest.

LIM continues to conduct a variety of necessary operational activities with the objective of preserving its assets, maintaining its mineral properties on a standby basis and fulfilling environmental and regulatory obligations, which principally relate to rehabilitation of the former James Mine and related infrastructure. LIM's environmental monitoring and reporting requirements concluded at the end of June 2018.

LIM's former James Mine and the Silver Yards processing facility have been in a progressive reclamation stage since 2014. In the summer of 2019 LIM plans to undertake further rehabilitation of its Silver Yards wet processing plant site. The Silver Yards wet processing plant was used to process ore from the James mine, but is not planned to be used for Houston. Upon successful completion of this rehabilitation work LIM expects release of a comparable amount of restricted cash set aside as financial assurance for such rehabilitation.

From a corporate perspective, the Company has been focused on its financial rationalization efforts and reducing costs. The Company has significantly reduced corporate overhead and, combined with the limited cost of site maintenance and standby activities, has succeeded in reducing its ongoing costs significantly.

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 deposit.

Houston, which is LIM's principal asset, is situated in Labrador about 25 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 grading 57.6% Fe.

The capital investment to put Houston into production, with a projected ten-year mine life, is relatively modest, and the lead time for development relatively short, compared with most other iron ore projects under development in the Labrador Trough. Subject to securing development financing, LIM is now positioned to resume mining operations as soon as economic conditions warrant.

Planning for the development of the Houston Project continues, although such planning is limited to the use of internal resources. The revised development plan is based on lower-cost dry crushing and screening only. When in full production, the Houston Project is expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of about 10 years.

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.

The Elizabeth Taconite Project is located in northwestern Labrador 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 million tonnes per year producing approximately 5 million tonnes per year 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.

Elizabeth represents an opportunity for LIM to develop a major new taconite operation in the Menihek area of the Labrador Trough region, near Schefferville, and with an expected grade of higher than 68% Fe would attract premium pricing in today's iron ore market.

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.

IRON ORE MARKET CONDITIONS

The iron ore market in the first half of 2019 was characterized by supply disruptions, particularly in Brazil and Australia, the seaborne market's leading iron ore producing countries.

In late January 2019, production was suspended at several Brazilian mines operated by Vale – the world's largest iron ore producer – following the collapse of a major tailings dam. Vale's production is expected to gradually recover over the next three years, with the full recovery in its production hinging on 60 million tonnes of production associated with the use of tailings dams. In March 2019, Cyclone Veronica damaged the Pilbara coast in Australia, causing disruption at some of the major Australian producers.

These events have had the effect, at least in the short term, of tightening the supply side of the iron ore market. Coupled with continuing strong demand of Chinese steel producers due to domestic infrastructure stimulus programs, inventories of iron ore have dwindled in Chinese ports and the price has risen to a five year high of over US$120 in July 2019.

These favourable current market conditions seem to support an iron ore price above US$100 for the rest of 2019. Analysts caution, however, that the iron ore market may be at its peak in terms of supply tightness. What remains to be seen in 2020 and later years is whether major producers will increase production to offset production suspended in 2019, and whether Chinese steel production continues to grow or slows down. Some uncertainty exists about the sustainability of the current iron ore price in 2020 and beyond.

ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

Labrador Iron Mines 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. 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 care and maintenance of the Company's mineral properties and assets along with planning activities related to Houston Project development. Subject to securing development financing, LIM is positioned to resume mining operations when economic conditions warrant.

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

Richard Pinkerton
Chief Financial Officer
Tel: (647) 728-4104

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.