
LABRADOR IRON MINES CCAA CLAIMS PROCESS APPROVED

Toronto, Ontario, April 18, 2016. **Labrador Iron Mines Holdings Limited** (“LIM” or the “Company”) announces that under an order of the Superior Court of Justice (Commercial List) of Ontario (the “**Court**”), dated today, (the “**Claims Procedure Order**”), a claims procedure has been commenced to identify and determine all claims against LIM and its subsidiaries, Labrador Iron Mines Limited, and Schefferville Mines Inc., (collectively the “**Applicants**”) that are to be affected in the Plan of Compromise and Arrangement to be proposed by the Applicants under the Companies’ Creditors Arrangement Act (the “**CCAA**”).

This claims procedure is the next step in LIM’s restructuring process and will assist LIM in formulating a plan of compromise and arrangement to be submitted to its creditors at creditor meeting(s) to be held as soon as reasonably practicable following completion of the claims process.

A copy of the Claims Procedure Order and other public information concerning LIM’s CCAA Proceedings can be found at the following website:

<http://www.ksvadvisory.com/insolvency-cases-2/labrador-iron-mines-holdings-limited/>.

LIM’s Monitor, KSV Advisory, will mail within five business days a notice of claim and claims package to each Creditor having a claim (a “**Scheduled Claim**”) as at April 2, 2015 (being the initial filing date of these CCAA proceedings) according to a schedule (the “**Claims Schedule**”) derived from LIM’s books and records. The claims package will set out the nature and amount of such Scheduled Claim. Creditors will have until 5:00 p.m. on May 31, 2016 (the “**Claims Bar Date**”) to file a dispute of such Scheduled Claim failing which such Scheduled Creditors will be deemed to have accepted the claim as it appears on the Claims Schedule.

Any creditor that has not received a notice of claim and who believes that he or she has a claim (an “**Unscheduled Claim**”) under the Claims Procedure Order must contact the Monitor in order to obtain a Proof of Claim form. Proofs of Claim in respect of such Unscheduled Claim must be completed and filed with the Monitor prior to the Claims Bar Date failing which such Unscheduled Claim will be forever barred and extinguished.

Any creditor who believes that he or she has a Claim arising after April 2, 2015 (a “**Restructuring Period Claim**”) and who has not received a Notice of Claim must obtain from the Monitor, complete and file a Proof of Claim on or before 5:00 p.m. (Toronto Time) on the later of May 31, 2016, and twenty-one (21) calendar days after the date of any contract termination, repudiation or other event giving rise to the applicable Restructuring Period Claim (the “**Restructuring Period Claims Bar Date**”). Proofs of Restructuring Period Claims must be completed and filed with the Monitor prior to the Restructuring Period Claims Bar Date failing which such claim will be forever barred and extinguished.

The Claims Procedure Order also provides for an adjudication process for any claims that cannot be resolved informally by the Company, the Creditor and the Monitor.

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About Labrador Iron Mines Holdings Limited

Labrador Iron Mines (LIM) 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. LIM commenced mining operations in 2011 and in the three year period of 2011, 2012 and 2013 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 Chinese spot market.

In April, 2015, LIM initiated proceedings under CCAA to provide an opportunity for the orderly restructuring of its business and financial affairs, so as to enable LIM to emerge with a viable business in the most favourable position to secure additional development financing to proceed with the development of LIM's Houston Project and continue as a going concern.

LIM's current focus is completing its financial restructuring and seeking additional financing. The Company is also working on development of its Houston Mine, to be in a position to complete construction and begin mining operations from Houston when market conditions permit, subject to completion of financing and negotiation of major contracts.

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

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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.