



Labrador Iron Mines Holdings Limited

PRESS RELEASE

LIM signs co-operation agreement with NunatuKavut

For Immediate Release

Toronto, Ontario. February 7, 2012 **Labrador Iron Mines Holdings Limited** (TSX: LIM) is pleased to report that the NunatuKavut Community Council (NCC) and Labrador Iron Mines Limited (LIM) reached an agreement on Thursday Feb 02, 2012, while attending the Northern Lights Conference in Ottawa, respecting LIM's iron ore mining project(s) in Labrador West .

The NunatuKavut Community Council represents the Southern Inuit of Labrador, an aboriginal population of about 6,000 within the communities that line the southern coastal and interior waterways of Labrador.

The agreement signed between NCC and LIM sets out the basic understandings and positions of each party and addresses such matters as environmental and cultural protection, jobs, training, aboriginal contracting and other financial aspects.

NCC President Chris Montague, who was present at the signing, said *"I am delighted that we have reached a mutually beneficial agreement with LIM. The company should be commended for its forward thinking and cooperation. It demonstrates the fact that corporations and aboriginal groups can respectfully work together for the good of all, our membership and their shareholders."*

"I also want to thank Todd Russell past President of the NCC and Member of Parliament for Labrador, who joined our team this Fall for his leadership in our negotiations, added Mr. Montague."

Todd Russell remarked, *"This agreement is a sign of a changing political landscape in Labrador. It is a momentous occasion for NunatuKavut. It is possible that all can be winners when cooperation replaces confrontation and NCC seeks the same with other industry players throughout our territory."*

Rodney Cooper, President & COO of LIM, said *"This agreement with NCC forms an integral part of LIM's approach to dealing respectfully with all aboriginal groups living in or adjacent to, or with traditional activities in, the general area of our mining and exploration activities. The agreement helps LIM address its obligations under its Newfoundland and Labrador Benefits Plan and we look forward to a co-operative working relationship with NunatuKavut"*.

About Labrador Iron Mines Holdings Limited (LIM)

LIM is engaged in the production and development of its 100% owned Schefferville Area direct shipping iron ore (DSO) properties in the Labrador Trough of western Labrador and northeastern Quebec. The Company commenced production from the James Mine in June 2011 following the successful construction and commissioning of the mine and Silver Yards processing plant earlier in the year, and began shipping high quality lump and sinter fine products to China in the fall of 2011.

LIM contemplates mining in stages. The first phase of Stage 1 comprises the James Mine and the Silver Yard processing plant which is connected by a rail spur to the main Schefferville to Sept-Iles railway. Through a phased expansion program, LIM plans to grow its iron ore production through the subsequent development of adjacent deposits.

For further information, please view the Company's website at www.labradorironmines.ca or contact:

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