



## ANNUAL MEETINGS OF SHAREHOLDERS

- VOTING RESULTS
- CORPORATE OVERVIEW

Toronto, Ontario, October 4, 2018. **Labrador Iron Mines Holdings Limited** (“LIMH” or the “Company”) held its Annual Meeting of Shareholders today in Toronto, Canada.

The Annual Meetings of Shareholders of **Labrador Iron Mines Limited** (“LIM”) and **Houston Iron Royalties Limited** were also held today in Toronto, Canada. LIMH holds 51% of the shares of LIM.

At the meeting, **John Kearney, Chairman and Chief Executive Officer**, provided shareholders with an overview of the current position and outlook for the Company.

### **OVERVIEW - ONGOING OPERATIONAL ACTIVITIES**

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Notwithstanding the challenging environment during the past several years, 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, fulfilling environmental and regulatory obligations, and controlling costs.

LIM’s former James Mine and the Silver Yards processing facility have been in a progressive reclamation stage since 2014. LIM continues to fulfill its environmental regulatory requirements, which principally relate to rehabilitation of the former James Mine. The James Mine open pit is now flooded with natural water, as planned, and water is discharging by way of a reclaimed tributary.

LIM continued its efforts to offset operating costs by generating third party income from otherwise idle property and equipment. In addition, sales of certain non-core assets and some miscellaneous sales of surplus equipment were completed.

From a corporate perspective, the Company has been focused on its financial rationalization efforts and is pursuing the sale of non-core assets and equipment. 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. Corporate salaries have been reduced and all directors’ fees have been waived.

LIM has not undertaken mining operations since 2013, primarily due to the low iron ore price, but maintains its properties on a stand-by care and maintenance basis and, subject to improvement in iron ore price and to securing financing, is positioned to resume mining operations as soon as the iron ore price and economic conditions warrant.

### **Iron Ore Market Conditions**

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Over the past two years there has been a substantial shift in the iron ore market favouring higher grade quality (+65% Fe) product, with premiums for 65% Fe exceeding 30%. The current price in October 2018 is US\$69 per tonne (62% Fe) with an additional 30% premium paid for high quality (65% Fe) iron ore.

Historically, the price of iron ore reached an all-time high of US\$191 per tonne (62% Fe CFR China basis) in 2011 and a low of US\$37 per tonne in 2015. In 2017 the price continued to improve, ranging from US\$55 to US\$97, while averaging US\$71 per tonne. During the first nine months of 2018 the price ranged from US\$63 to US\$77 per tonne, while averaging US\$70 per tonne.

In recent years there has been a substantial shift in the iron ore market favouring higher grade products. This has been particularly noticeable in China, where recent policy measures focused on environmental protection have driven demand for higher grade iron ore.

This has resulted in the development of three distinctly different markets for iron ore, being (i) an out-of-favour lower quality ~58% Fe product which now sells at a substantial discount; (ii) a standard commodity grade 62% Fe product at the benchmark price; and (iii) a heavily in-demand high quality ~65% Fe product which commands a substantial premium. A global decline of high grade iron ore reserves has resulted in a glut of lower quality ~58% Fe product and a shortage of the ~65% Fe premium product. This market condition and the resultant strong premium for ~65% Fe product is expected to continue in the medium term.

As a result of expected continuing supply surpluses, the consensus forecast iron ore price until 2020 is anticipated to be in the US\$60 to US\$70 per tonne range, while the forecast for long-term iron ore prices is in the range of US\$70 to US\$80 per tonne.

## **HOUSTON IRON ORE PROPERTY**

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### **Mr. Kearney reviewed LIM's Houston Project:**

The Houston Project, which includes the Houston deposit and the Malcolm deposit, is planned as LIM's next project to be developed. Houston is situated in Labrador about 25 km southeast of the town of Schefferville. Together with the Malcolm Deposit, considered to be its northwest extension, the Houston deposits are estimated to contain a National Instrument 43-101 resource of 40.6 million tonnes grading 57.6% iron ("Fe"). LIM has identified a higher-grade component of this resource, 20 million tonnes at an average grade of 62% Fe, at a 58% cut-off grade, that is amenable to dry crushing and screening.

The initial mine plan will focus on this higher-grade component. The revised development plan is based on lower-cost dry crushing and screening only. When in full production, the Houston-Malcolm deposits are expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of 10 years. The Houston deposits also contain harder ore than the James mine and are anticipated to produce a larger proportion of premium lump product.

The capital investment to put Houston into production 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 financing, LIM is positioned to pursue development of the Houston Project and resume mining operations as soon as economic conditions warrant.

Development of the Houston Project is subject to the availability of development financing. There are no assurances that LIM will be successful in obtaining the required financing and if LIM is unable to obtain such financing, the development of Houston will be postponed.

## NEAR-TERM FOCUS

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LIM owns extensive iron ore resources rail infrastructure and facilities in its Schefferville Projects. Resumption of LIM's mining operations will require a higher iron ore price than prevailed to date in 2018. To have a viable economic operation LIM needs a higher price and needs to "re-set" its projects.

The Company does not plan to develop the Houston Project until market conditions improve. LIM needs to secure additional financial resources to fund the development of our Houston project. The Company is cognizant that its operations will need to be funded on a care and maintenance basis until that time. In that regard, the Company has identified non-core assets to be sold on an orderly basis to cover stand-by and operating costs.

To survive in today's economic environment, LIMH has only one asset it holds 51% of the shares of LIM. LIMH has been maintained in good standing with the Securities Commissions and is looking at other opportunities.

I would like to thank the Board of Directors who serve without compensation, faithfully fulfilling their fiduciary responsibilities.

Finally, I would like to thank all our stakeholders, governments, local communities and shareholders for their continuing understanding and support.

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To view Mr. Kearney's full remarks as presented at the Annual Meeting held on October 4, 2018, please visit the Company's website at [www.labradorironmines.ca](http://www.labradorironmines.ca).

## MATTERS OF THE LABRADOR IRON MINES HOLDINGS LIMITED AGM

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### *Election of Directors*

All of the nominees for election as director: Messrs. John Kearney, William Hooley, Matthew Coon Come, Eric Cunningham, Gerry Gauthier, Brendan Lynch and Danesh Varma, were unanimously re-elected as directors by a show of hands, 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:

Director	Votes For	% of Votes For	Votes Withheld	% of Votes Withheld
John F. Kearney	24,910,848	100%	Nil	0%
D. William Hooley	24,910,848	100%	Nil	0%
Matthew Coon Come	24,910,848	100%	Nil	0%
Eric Cunningham	24,910,848	100%	Nil	0%
Gerry Gauthier	24,910,848	100%	Nil	0%
Brendan Lynch	24,910,848	100%	Nil	0%
Danesh Varma	24,910,848	100%	Nil	0%

UHY McGovern Hurley LLP Chartered 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.

## **LABRADOR IRON MINES LIMITED AGM**

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### ***Election of Directors***

All of the nominees for election: Messrs. John Kearney, Richard Pinkerton, Brendan Lynch and Kenneth MacLean were unanimously re-elected as directors, to serve until the next annual general meeting of shareholders or until their successors are elected or appointed.

### ***Re-Appointment of Auditors***

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

## **HOUSTON IRON ROYALTIES LIMITED AGM**

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### ***Election of Directors***

All of the nominees for election: Messrs. John Kearney, Richard Pinkerton, Brendan Lynch and Graeme Scott were unanimously re-elected as directors, to serve until the next annual general meeting of shareholders or until their successors are elected or appointed.

### **Special Resolution**

The shareholders of Houston Iron Royalties Limited unanimously approved a special resolution exempting the corporation from the statutory requirement to appoint an auditor for the financial year ended March 31, 2019

## **ABOUT LABRADOR IRON MINES HOLDINGS LIMITED**

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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. LIM owns extensive iron ore resources and facilities as well as numerous mineral exploration claims in Newfoundland and Labrador and in 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 has not undertaken mining operations since 2013, primarily due to the low iron ore price, but maintains its properties on a stand-by care and maintenance basis.

Subject to securing financing, the Company is positioned to pursue development of its Houston Project and resume mining operations as soon as the iron ore price and economic conditions warrant.

For further information, please visit LIM's website at [www.labradorionmines.ca](http://www.labradorionmines.ca) or contact:

John F. Kearney  
Chairman and Chief Executive Officer  
Tel: (647) 728-4105

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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 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.*