LABRADOR IRON MINES REPORTS FIRST QUARTER JUNE 30, 2026 RESULTS

Toronto, Ontario, Canada, September 1, 2026 | **Labrador Iron Mines Holdings Limited** (the "Company") (OTC: LBRMF) reports its financial results for the three months ended June 30, 2026.

This news release should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the associated management's discussion and analysis for the three months ended June 30, 2026, which are available on the Company's website at www.LabradorIronMines.ca or under the Company's profile on SEDAR at www.sedarplus.ca.

All currency references in this news release are expressed in Canadian dollars, unless otherwise indicated.

OVERVIEW

The Company, 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 situated in the Menihek area of western Newfoundland and Labrador and northeastern Quebec, near the town of Schefferville, in the central part of the Labrador Trough region of eastern Canada, one of the major iron ore producing regions in the world.

The Company's current focus is advancing the Houston Project, LIM's flagship property. The Houston Project is an open pit direct shipping iron ore project located near the town of Schefferville, on which an updated, independent Preliminary Economic Assessment was completed in February 2021 and demonstrated production of 2 million dry metric tonnes ("dmt") of DSO per year, with an initial 12-year mine life, for total production of 23.4 million dmt of product at 62.2% Fe over the life of the mine.

The Company continues to explore various short to medium term financing alternatives to secure working capital. The Company has been exploring various financing alternatives for a number of years. These efforts have not been successful to date. There is a significant risk that additional or alternative financing will not be available to the Company on a timely basis or on acceptable terms.

FINANCIAL RESULTS – THREE MONTHS ENDED JUNE 30, 2026

The Company did not conduct any mining activities during the three months ended June 30, 2026. Rather, the Company was focused on planning and financing activities related to advancing the Houston Project.

On a consolidated basis, the Company reported a loss of $172,742, or ($0.00) per share during the three months ended June 30, 2026, compared to a loss of $113,285, or ($0.00) per share, during the same three month period of the previous year.

The loss of $172,742 in the current quarter was mainly attributable to corporate and administrative costs of $135,703 and non-cash share based compensation of $31,084. The loss of $113,285 in the same quarter of the previous year was mainly attributable to corporate and administrative costs of $86,662 and non-cash share based compensation of $24,417. Share based compensation represents the expense of restricted share units recognized using the graded vesting method of expense recognition.

LIQUIDITY AND WORKING CAPITAL ADVANCES

The Company had a working capital deficit of $3,568,069 at June 30, 2026, compared to a working capital deficit of $3,180,011 at March 31, 2026. Current liabilities at June 30, 2026, consisting of accounts payable and accrued liabilities, the Secured Promissory Note described below, and a $40,000 loan under the Canada Emergency Business Account program, were $3,631,454.

On April 10, 2026, Energold Minerals Inc, a company controlled by John Kearney, the Chairman of the Company ("Energold"), advanced an additional $300,000 to the Company for working capital purposes. This advance was in addition to advances made during the year ended March 31, 2026 and prior years. On the same date, April 10, 2026, the Company executed a secured promissory note (the "Secured Promissory Note") in the principal amount of $1,250,000, representing this additional advance together with prior loans from Energold with a cumulative balance at March 31, 2026, of $915,000 (2025 - $455,000), and including an arrangement fee of $35,000, were consolidated into the new Secured Promissory Note.

The Secured Promissory Note bears interest on a simple basis at an annual rate of 10%, is payable on demand with 100 days' notice, and is subject to standard covenants and events of default as usual in transactions of this nature. As security for its obligations under the new Secured Promissory Note, the Company entered into a General Security Agreement in favor of Energold, securing the payment and performance of all present and future obligations of the Company to Energold from time to time, and pledged all the Company's shares in its partially owned subsidiary, Labrador Iron Mines Limited. In addition, the Secured Promissory Note is guaranteed by Labrador Iron Mines Limited and a collateral interest in its mineral licences over the Houston Project at Schefferville.

In July 2026, Energold advanced an additional total of $150,000 to the Company for working capital purposes. The terms of these additional advances are the same as those for the new Secured Promissory Note, bringing the total working capital advances by this director to $1,400,000.

The Company is relying on the exemptions from the formal valuation and minority shareholder approval requirements contained in sections 5.5(g) and 5.7(1)(e) of MI 61-101, respectively, on the basis that the Company is experiencing financial hardship, the transaction is designed to improve the financial position of the Company, and the terms of the transaction are reasonable in the circumstances. The Company is also relying on the section 5.7(1)(e) exemption on the basis that no corporate or other requirement exists to hold a meeting of shareholders to approve the transaction.

The board of directors of the Company, and all of the independent directors of the Company, each acting in good faith, determined that: (i) the Company is in serious financial difficulty; (ii) the transaction is designed to improve the financial position of the Company; and (iii) the terms of the transaction are reasonable in the circumstances of the Company. In making this determination, the board considered, among other things, the Company's negative working capital position, ongoing liquidity constraints, immediate funding requirements to maintain the Company's mineral licences and preserve its principal assets, and the lack of available alternative financing on commercially reasonable terms.

The transaction was approved by the board of directors of the Company, with John F. Kearney abstaining from voting due to his interest in the transaction. As these were related party transactions, the terms of these advances and the security were approved by an independent subcommittee of the board.

The Company continues to explore various financing alternatives. There is a significant risk that additional or alternative financing will not be available to the Company on a timely basis or on acceptable terms.

GLOBAL UNCERTAINTY AND THE IRON ORE MARKET

Iron ore prices improved modestly in the second calendar quarter of 2026, supported by resilient demand in emerging markets despite higher seaborne supply and flat global steel output. According to the World Steel Association, global crude steel production in the second quarter of 2026 was unchanged from the same period in 2025. In China, second quarter steel production fell 1.7% year-over-year, reflecting continued weakness in the property market and stricter carbon emission caps, which led steelmakers to shift toward higher-value specialty products.

The 62% Fe benchmark averaged approximately US$102 per tonne in the second quarter of 2026, and most analysts expect it to remain above US$100 for the remainder of 2026. High-grade products continued to trade at a premium to this benchmark: the 65% Fe index averaged US$122 per tonne in the quarter, up 1% from the prior quarter and approximately 13% from US$108 per tonne a year earlier. This reflects steelmakers' continuing preference for high-grade, low-impurity feed, which improves furnace productivity and lowers emissions.

Direct-reduction and other advanced steelmaking routes require higher-purity feed than conventional blast furnaces, and as more capacity is built out or retrofitted for decarbonization, demand for high-grade iron ore is positioned to strengthen, commanding a growing premium over lower grade alternatives. This resilience reflects the scarcity of high-grade, low-impurity iron ore and steelmakers' growing preference for higher-grade feed, to improve furnace productivity and lower emissions, supporting a durable premium for high-grade material even when the broader market weakens.

Lump ore premiums also strengthened over the period. The premium rose sharply throughout 2025 and into 2026, climbing further in March 2026 following a rerating tied to updated IODEX specifications effective January 2, 2026, and reaching a high of US$13.42 per tonne in the second quarter of 2026 (S&P Global Platts 62/65% Fe Iron Ore Index and BF/DR pellet premium assessments, April/June 2026).

Demand remains closely tied to conditions in China, which accounts for the majority of global seaborne iron ore consumption (S&P Global Market Intelligence, 2026). China's property sector correction continues to weigh on steel demand, and government stimulus has been directed mainly toward infrastructure and manufacturing rather than residential construction (World Steel Association, Short Range Outlook, 2025–2026). The World Steel Association expects global steel demand to bottom out over 2025–2026, with modest growth of approximately 0.3% in 2026 and 2.2% in 2027 (approximately 4.0% in 2027 excluding China), supported by stabilizing Chinese demand, growth in India, and a broader recovery in developed economies.

On the supply side, the Simandou project in Guinea began shipping in late 2025 and is ramping through 2026 (Rio Tinto / S&P Global Market Intelligence, April 2026). This new high-grade supply is expected to pressure prices in the near term, but anticipated depletion at existing operations is expected to offset it over the medium term.

A number of macroeconomic and geopolitical factors could materially affect this outlook. Escalating US–China trade tensions, including elevated US steel tariffs, could curb Chinese steel exports and reduce demand for iron ore from China — the most likely market for LIM's Houston iron ore (Materials Plus, Steel and Aluminum Tariffs in 2026; Tax Foundation, 2026 Trump Tariffs & Trade War Tracker). Conflict in the Middle East is also expected to weigh on regional steel demand in 2026 (World Steel Association, Short Range Outlook, 2025–2026). Conversely, stronger Chinese stimulus or an easing of trade tensions could support firmer pricing than currently anticipated.

In January 2026, China's central bank reduced bank reserve requirements to support lending for property and infrastructure, and at the end of June Beijing announced further measures to lower mortgage rates and minimum down payments. It remains to be seen whether these measures will meaningfully increase construction activity and iron ore demand.

IRON ORE – A CRITICAL MINERAL

High-grade, low-impurity iron ore has increasingly been recognized by governments as a strategic input to the transition to a lower-carbon economy. In November 2023, the Government of Newfoundland and Labrador released the province's Critical Minerals Plan, identifying high-grade, low-impurity iron ore as a critical mineral for its role in reducing greenhouse gas emissions in steelmaking and as a value-added input to green steel.

In June 2024, the Government of Canada expanded its national critical minerals list to 34 materials, adding high-purity iron in recognition of its role as a key input to green steel and decarbonization.

The Labrador Trough, where LIM's Schefferville Projects are located, hosts one of the largest resources of high-purity iron globally. This is directly relevant to LIM: both the Houston Project's 62% Fe DSO product and the Elizabeth Taconite Property's potential high-grade concentrate fall within the category of iron ore that governments have identified as critical to the energy transition and green steel production, which may support future project financing, permitting, and offtake discussions.

OUTSTANDING SHARE CAPITAL

Labrador Iron Mines Holdings Limited currently has 162,364,427 common shares issued and outstanding.

The common shares of the Company trade on the OTC Markets under the symbol LBRMF.

The Company continues in good standing as a Reporting Issuer in all the Provinces of Canada, and in compliance with all the requirements of the Securities Acts and Securities Regulations in Canada. All public filings of the Company may be inspected under the Company's profile on SEDAR at www.sedarplus.ca.

ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

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.

LIM's current focus is on development of its Houston Project, subject to securing development financing. 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.

In March 2021, the Company reported the results of the Technical Report on The Preliminary Economic Assessment of the Houston Project, Provinces of Newfoundland and Labrador and Québec, Canada ("PEA") prepared by RPA, now part of SLR Consulting Ltd. The PEA, prepared in accordance with National Instrument 43-101, may be viewed under the Company's profile on SEDAR, or on the Company's website.

In addition to its Houston Project, LIM also holds the Elizabeth Taconite Project, which has an Inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe.

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

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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.