LABRADOR IRON MINES
HOLDINGS LIMITED

News Release

TSX: LIM

Labrador Iron Mines Reports Second Quarter Results

Notice: Conference Call and Webcast held today at 11:00 am ET. Dial-in: +1 (647) 427-7450 or +1 (888) 231-8191

Toronto, Ontario, November 15, 2013. **Labrador Iron Mines Holdings Limited** ("LIM" or the "Company") (TSX:LIM) reports its financial and operating results for the second quarter ended September 30, 2013.

HIGHLIGHTS

- During the quarter, LIM sold four shipments of iron ore totalling 652,000 dry tonnes (~700,000 wet tonnes), and reported revenue of $40.3 million. For the six months ended September 30, 2013, LIM has completed the sale of six shipments of iron ore totalling 980,000 dry tonnes (~1,050,000 wet tonnes).
- Production volumes increased substantially during the quarter: approximately 983,000 tonnes of ore were extracted from the James Mine, Redmond Mine and Ferriman stockpiles and 1.25 million tonnes of plant feed were processed and screened at the Silver Yards processing facility.
- Rail volumes also increased to a quarterly record of 723,000 tonnes, averaging five trains per week by the end of July.
- Revenues were impacted by value-in-use deductions arising primarily from the lower quality of ore mined.
- With a number of cost reduction measures implemented and higher production volumes achieved, operating unit costs were substantially lower quarter over quarter.
- For the second quarter ended September 30, 2013, LIM reported a net loss of $24.9 million or $0.20 per share, which included a depletion and depreciation charge of $20.7 million or $0.16 per share.
- Subsequent to the end of the quarter, Ships 7 and 8 departed from the Port of Sept-Îles. In addition, almost all remaining product inventory for the final two shipments have been railed to the Port. **LIM is on track to achieve production of 1.7 million wet tonnes in 10 shipments for the 2013 operating season.**
- During the quarter, LIM completed the Joint Venture Agreement with Tata Steel Minerals Canada ("TSMC") for the exploration and development of LIM's Howse Deposit and received a total cash consideration of $30 million.

"LIM has now recorded the sale of eight shipments of iron ore in the year to date and despite a slow start-up experienced in the first quarter, we are on track to sell 10 shipments of iron ore this year, meeting our production target of 1.7 million tonnes of iron ore in 2013," stated ***John Kearney, Chairman and CEO.*** *"While the price of iron ore averaged approximately US$133 per tonne in the quarter compared to approximately US$113 per tonne in the same quarter of 2012, this increase was partially offset by value-in-use adjustments arising primarily from the lower quality of ore mined as we got deeper in the James Mine, and by higher ocean freight."*

Commenting on the second quarter operating results, ***Rod Cooper, President and COO,*** *stated, "Our key operational focus was to increase production volumes during the quarter. Rail operations achieved a major milestone with a quarterly haulage record in tonnes railed to the Port. We also achieved a substantial reduction in operating unit costs compared to the first quarter, as a result of increased volumes and from a number of cost reduction measures that have been implemented."*

OPERATING RESULTS

Mining, Processing and Rail

During the second quarter of the 2013 operating season, LIM achieved a substantially higher volume of mining, extracting an aggregate of 983,000 tonnes of ore from the James Mine, Redmond Mine and Ferriman stockpiles, a significant improvement quarter over quarter (~345,000 tonnes extracted in Q1).

At James, approximately 775,000 tonnes of ore were mined during the quarter. Mining activity took place deeper in the pit and the ore exhibited a lower *in situ* iron grade and contained a greater fines component than previously experienced.

Initial mining of the Redmond Mine commenced in July 2013 and 190,000 tonnes of ore was extracted during the quarter. Waste removal from Redmond was minimal, partially offsetting the additional costs of hauling the material approximately 12 kilometres ("km") to Silver Yards. High clay content in the Redmond material caused clogging in the current set-up of the wet processing plant, resulting in poor recovery levels. Mining at Redmond was discontinued for the season in September.

Bulk sampling of ore from the Ferriman stockpiles commenced in September 2013 and 18,500 tonnes of ore was reclaimed from Ferriman. The Ferriman material has responded well to wet processing and bulk sampling activities from Ferriman continued into early November.

Processing activities at Silver Yards increased significantly in the second quarter, with full operations from both the wet processing and dry screening facilities. A total of 1,253,500 tonnes of plant feed were processed and screened during the quarter, producing an aggregate of 766,500 tonnes of lump and sinter iron ore product. While throughput increased compared to the first quarter, product recovery rate was low at 61%, which was attributable to a higher amount of fines in the James plant feed extracted from deep in the pit, the high clay content of the Redmond plant feed, and underperformance of the newly installed WHIMS (wet high intensity magnetic separator). The combined design plant recovery rate for the wet and dry plants is approximately 75%.

LIM railed a quarterly record of approximately 723,000 tonnes of iron ore to the Port of Sept-Îles, a significant improvement over the 328,000 tonnes of ore railed during previous quarter. By the end of July, a fourth train set was added and rail operations averaged approximately five trains per week.

Iron Ore Sales

LIM completed four shipments of iron ore totaling 652,000 dry tonnes during the quarter. These shipments were sold to the Iron Ore Company of Canada ("IOC") at a provisional weighted average actual realized price (i.e. CFR China spot price less marketing discounts and value-in-use adjustments) of approximately US$117 per tonne on a CFR China basis. LIM recognized net revenue of $40.3 million after netting shipping costs and IOC's participation from the CFR China actual realized price for these four shipments.

Of the four shipments sold during the second quarter, three vessels contained standard grade (~62% Fe) sinter products and one vessel contained a split cargo of some lump (~62% Fe) and standard grade (~62% Fe) sinter products. LIM's product sales during the quarter experienced value-in-use deductions related to the silica, iron content and sizing specifications, which deviated from benchmark standards.

Subsequent to the end of the quarter, LIM sold two additional shipments, bringing the year-to-date total to approximately 1.4 million wet tonnes in eight shipments. Ship 7, the MV Kirin Turkiye, departed the Port in October, carrying a split cargo of approximately 170,500 wet tonnes of 58% Fe sinter and 62% lump product. Ship 8, the MV Rugia, departed the Port in early November, carrying approximately 168,000 wet tonnes of 58% Fe sinter product.

LIM expects two more shipments to be completed in November: the MV Myrtalia and the Anangel Sailor. Each shipment is expected to carry approximately 170,000 wet tonnes of sinter fines and lump product.

Operating Results Summary

LIM's operating results for the quarters and six month periods ended September 30, 2013 and 2012 are outlined in the following table:

	Quarter Ended September 30				Six Months Ended September 30			
	2013		2012		2013		2012	
(all tonnes are dry metric tonnes)	Tonnes	Grade (Fe)	Tonnes	Grade (Fe)	Tonnes	Grade (Fe)	Tonnes	Grade (Fe)
Total Ore Mined	982,929	57.8%	961,737	60.8%	1,327,992	57.5%	1,629,930	61.5%
Waste Mined	766,837	—	1,533,211	—	1,800,518	—	2,902,609	—
Ore Processed and Screened	1,253,451	55.4%	643,715	58.2%	1,799,400	55.7%	771,178	57.8%
Lump Ore Produced	139,451	57.9%	62,884	60.5%	150,001	57.8%	80,612	60.4%
Sinter Fines Produced	626,937	61.7%	508,773	61.1%	956,255	61.1%	543,484	61.4%
Total Product Railed	723,091	60.7%	706,495	62.2%	1,050,662	60.2%	1,238,824	62.4%
Tonnes Product Sold	652,296	60.8%	647,643	62.3%	980,321	60.2%	1,134,149	62.7%
Port Product Inventory	183,594	60.6%	282,344	62.1%	183,594	60.6%	282,344	62.1%
Site Product Inventory	59,145	57.3%	89,917	60.2%	59,145	57.3%	89,917	60.2%
Site Run-of-Mine Ore inventory	256,297	56.3%	432,143	56.2%	256,297	56.3%	432,143	56.2%

Joint Venture with Tata Steel Minerals Canada

During the quarter, LIM reported that the previously-announced Joint Venture Agreement with TSMC for the exploration and development of LIM's Howse Deposit has been completed. LIM has sold a 51% participating interest in the Howse Property to Howse Minerals Limited, a wholly-owned subsidiary of TSMC, and received a total cash consideration of $30 million.

As part of the Joint Venture, LIM has commenced a $5 million exploration program on the Howse Property, with the objective to calculate a National Instrument 43-101 ("NI 43-101") compliant mineral resource by spring 2014 (historical resources currently 28 million tonnes at a grade of 58% Fe, natural basis) and to collect metallurgical, geotechnical, hydrogeological, and hydrology information to advance Howse towards production.

Following the completion of the Howse exploration program and the calculation of a new NI 43-101 resource, TSMC will contribute the next $23.5 million to the Joint Venture and thereby increase its participating interest in the Howse Deposit to 70%. It is currently planned to complete a feasibility study by July 2014, with a target for commencement of mine development in 2015 and commercial production in 2016.

Houston Initial Planning

LIM is in the initial planning stage of evaluating an interim plan to haul Houston ore to the Silver Yards process and rail loading facilities in 2014 as a first stage, lower initial capital approach for development of the Houston project.

SECOND QUARTER FINANCIAL REVIEW

For the quarter ended September 30, 2013, LIM reported a loss of $24.9 million, or $0.20 per share, which included a depletion and depreciation charge of $20.7 million or $0.16 per share. The depletion and depreciation charge represents a period charge, primarily on a units-of-production basis, of the cost of Stage 1 mining assets, the Silver Yards processing plant, transportation equipment and infrastructure and site properties associated with Stage 1 operations.

The loss in the second quarter also included a gain on the sale of a joint venture interest in LIM's Howse deposit of $9.6 million and a financing charge of $2.1 million, representing the period end change in the value of the iron ore put option contracts entered into in May 2013.

LIM recognized net revenue from mining operations of $40.3 million on sales of approximately 652,000 tonnes of iron ore in four shipments, compared to net revenue of $33.0 million on sales of approximately 648,000 tonnes of iron ore in four shipments during the second quarter of the previous year. The increase in net revenue is attributable to an improvement in the weighted average actual realized CFR China price of iron ore (after value-in-use adjustments and marketing discount) from US$96 per tonne in the previous year's second quarter to US$117 in the current year's second quarter, offset by higher ocean freight rates in the current year's second quarter. LIM's net revenue is recognized net of deduction of ocean freight and IOC's participation.

Compared to the previous year's second quarter, the higher net revenue (reflecting improved iron ore prices quarter-over-quarter, offset somewhat by higher value-in-use adjustments, higher ocean freight costs and a higher marketing discount) and the recognition of a one-time gain on the sale of a joint venture interest in the Howse deposit in the current year's second quarter, were offset by higher processing costs, a higher charge for depletion and depreciation and a non-recurring charge for a reduction in value of put option contracts.

During the quarter, LIM invested approximately $5.3 million in property, plant and equipment, which consisted mainly to completion of the Phase 3 expansion of the Silver Yards wet processing plant and investment in grid connection infrastructure. The reduction year-over year (September 30, 2012 – $8.3 million) represents a concerted effort to limit capital expenditures to only essential capital projects.

At September 30, 2013, LIM had current assets of $70.5 million, including inventories with a carrying value of $14.3 million and accounts receivable and prepaid expenses of $25.1 million. At September 30, 2013, LIM had a total of $23.3 million in unrestricted cash and cash equivalents and an additional $13.0 million in restricted cash. LIM's cash and cash equivalents are invested in an investment grade short-term money market fund and deposits with a major Canadian bank.

Current liabilities, consisting of accounts payable and accrued liabilities, the current portion of deferred revenue, finance lease obligations and rehabilitation provision, were in aggregate $67.7 million at September 30, 2013.

The Company had no current or long-term bank debt at September 30, 2013.

OUTLOOK

The price of iron ore (CFR China 62% Fe) averaged approximately US$133 per tonne in the quarter ended September 30, 2013, compared to approximately US$113 per tonne in the same quarter of 2012. Benchmark prices for 62% Fe iron ore in the Chinese market have remained above US$130 since quarter end. Demand in China remains favourable, as inventories at ports and steel prices continue to support the seaborne trade.

Subsequent to the end of the quarter, two additional shipments were sold, bringing the total for the year to date to eight shipments and a total of about 1.4 million wet tonnes. Two more shipments are planned for the month of November and LIM expects to achieve the sale of ten shipments or approximately 1.7 million wet tonnes of iron ore, as planned, for 2013.

Production from the James Mine will continue until the end of the 2013 operating season, after which an assessment will be undertaken to evaluate the economics of extraction of the remaining ore and the down-dip extensions of the higher grade portions of the deposit in 2014, if continuing dewatering during the winter months and additional stripping is economically justified, or if the pit should be permanently closed.

Beyond 2013, LIM's operations will continue be focused on the Company's Stage 1 deposits, including the James Mine, the Redmond Mine and other smaller satellite deposits and stockpiles, all located within a 15 km radius of the Silver Yards processing plants.

LIM is also currently evaluating an interim plan to haul Houston ore to the Silver Yards process and rail loading facilities in 2014 as a first stage, lower initial capital approach for development of the Houston project.

LIM's ongoing 2013 exploration program is focusing on the Howse, Houston and Gill deposits and will consist mainly of delineation diamond drilling with a target of approximately 14,000 m of core recovery.

RETIREMENT OF DIRECTOR

LIM also reports the retirement of Dr. Richard Lister from its Board of Directors. Dr. Lister had been a member of the Board since the LIM's Initial Public Offering in 2007 and made invaluable contributions towards the start-up and development of the Company.

In recognition of Dr. Lister's contributions, John Kearney, Chairman, stated *"The Board is very grateful to Richard Lister for his commitment and guidance over the years. His industry knowledge and experience have been of great benefit to Labrador Iron Mines. We extend our best wishes in his retirement."*

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This press release should be read in conjunction with LIM's Management's Discussion and Analysis (MD&A) and unaudited condensed consolidated financial statements and notes thereto for the second quarter ended September 30, 2013, available on LIM's website at www.labradorironmines.ca, under the "Financials" section, or on SEDAR (www.sedar.com).

Unless otherwise noted, all references to 'years' in this press release are 'calendar years', all dollar amounts are stated in Canadian dollars and all tonnes are stated in dry metric tonnes.

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Conference Call and Webcast: Second Quarter Results

Members of the senior management team will host a conference call and webcast today at 11:00 am (ET). You may participate in our conference call by calling 647-427-7450 (local and international) or 1-888-231-8191 (Canada and US toll-free). Please reference "Labrador Iron Mines Second Quarter Conference Call" when prompted." To ensure your participation, please call five minutes prior to the scheduled start of the call.

A live audio webcast will be available on LIM's homepage at www.labradorironmines.ca and archived for 180 days.

For those who are unable to participate in the live conference call, a replay will be available until the end of day on November 29, 2013 by calling 416-849-0833 (local and international) or 1-855-859-2056 (Canada and US toll-free) and entering the passcode 100 226 60# when prompted.

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About Labrador Iron Mines Holdings Limited (LIM)
Labrador Iron Mines (LIM) is a leader in the reactivation of the iron ore industry in the Schefferville/Menihek region, engaged in the mining, exploration and development of its portfolio of 20 direct shipping (DSO) deposits located in the prolific Labrador Trough. Initial production commenced at the James Mine and Silver Yards plant in June 2011 and to date, the Company has sold over 3 million tonnes in more than 20 shipments of iron ore into the Chinese spot market.

Now in its third year of operations, LIM is targeting the sale of 1.7 million tonnes of iron ore products in 10 shipments in 2013.

LIM's Silver Yards processing facility is connected by a direct rail link to the Port of Sept-Îles, Québec. The operation also benefits from established infrastructure including the town, airport, hydro power and railway service. Starting with the James Mine and leading to the development of the expanding Houston flagship project, LIM's objective is to provide shareholders with long-term value from its iron ore deposits in Labrador and Quebec, all within 50 kilometres of the town of Schefferville.

LIM is currently the only independently-owned Canadian iron ore producer listed on the Toronto Stock Exchange and trades under the symbol LIM.

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

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Cautionary Statements:
Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that mineral resources will be converted into mineral reserves.

The potential tonnage and grade referred to in this press release is conceptual in nature; there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

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.

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. 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, 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.