



## LABRADOR IRON MINES REPORTS THIRD QUARTER DECEMBER 31, 2022 RESULTS

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Toronto, Ontario, Canada, February 15, 2023. **Labrador Iron Mines Holdings Limited** (the “Company”) (OTC Pink: LBRMF) reports its financial results for the third fiscal quarter ended December 31, 2022.

This News Release should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and Management’s Discussion and Analysis for the three and nine months ended December 31, 2022, which are available on the Company’s website at [www.labradorironmines.ca](http://www.labradorironmines.ca) or under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

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

### OVERVIEW

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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 Menihék 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 planning activities related to 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 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.

LIM is advancing development of the Houston Project through a number of initiatives, including: discussing an off-take agreement, including construction financing and product sale components; advancing commercial negotiations with construction contractors, equipment vendors, rail, port and logistics counterparties; and planning metallurgical test work of drill core collected from the Houston Project in a 2013 bulk sample, to refine the product characterization and specifications which will be helpful in marketing the iron ore.

On July 5, 2022, the Company entered into an agreement with Scully Royalty Ltd. (“Scully”) to complete a strategic investment of approximately \$5 million, however the proposed transaction was not completed by Scully by the agreed Outside Date of September 14, 2022. The Company is exploring various financing alternatives, including a potential private placement of equity.

### FINANCIAL RESULTS – THREE MONTHS ENDED DECEMBER 31, 2022

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On a consolidated basis, the Company reported a loss of \$145,962, or \$0.00 per share, during the three months ended December 31, 2022, compared to a loss of \$242,291, or \$0.00 per share, during the same three month period of the previous year.

The loss of \$145,962 in the current three month period was mainly attributable to corporate and administrative costs of \$122,796 and non-cash share based compensation of \$20,833. The loss of \$242,291 in the same period in the previous year was mainly attributable to site costs of \$92,876, corporate and administrative costs of \$72,840 and

non-cash share-based compensation of \$77,288.

Site costs include the expenditures required to maintain the Company's mineral properties in good standing. Share based compensation represents the expense of restricted share units recognized during the period using the graded vesting method of expense recognition.

At December 31, 2022, the Company had current assets of \$119,982, consisting of cash and accounts receivable. The Company had no long term debt, other than a \$40,000 loan under the Covid-related Canada Emergency Business Account program.

## **IRON ORE MARKET**

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Similar to recent years, the iron ore market was very volatile in calendar 2022. While averaging US\$120 per tonne (62% Fe Sinter Fines CFR China) for the full year, the price ranged between US\$160 and US\$82 per tonne, with the price falling significantly during the middle of the year, before rebounding in the fourth calendar quarter, ending the year at US\$117 per tonne.

The market negativity in the middle of the year was attributable to a slowdown in Chinese homebuilding resulting from Beijing's zero-Covid measures that dampened demand for the steelmaking raw material. At the time, iron ore supply was outstripping demand as China was building fewer new homes, as a result of authorities imposing lockdowns to contain the spread of Covid.

Chinese authorities abandoned the zero-Covid lockdown measures in the fourth calendar quarter, unleashing pent-up demand for residential construction and other infrastructure development. Demand for iron ore imports immediately increased, with an associated rise in price that has continued into the new year. Iron ore imports in January 2023 are expected to have met an all-time monthly record, and by early February the iron ore price has risen to US\$125 per tonne, an increase of over 50% in less than four months.

There is unlikely to be any meaningful increase in supply in the near term, as shipments from top exporter Australia are expected to rise only modestly, while those from number two Brazil are expected to remain largely steady for the time being.

As for the remainder of 2023, many analysts believe a surge in industrial and real estate activity in China combined with the potential for continued interruption in supply from Ukraine and limited supply growth elsewhere could lead to a strong iron ore market for the year.

## **OUTSTANDING SHARE CAPITAL**

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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 Pink Open Market under 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.sedar.com](http://www.sedar.com).

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

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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 planning activities related to the development of its Houston Project and, subject to securing

development financing, LIM is positioned to resume project development and production of direct shipping iron ore from the Houston deposits at the earliest opportunity. 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 an independent Preliminary Economic Assessment (“PEA”) on its Houston Project prepared by RPA, now part of SLR Consulting Ltd. The Technical Report on 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 holds approximately 50 million tons in historical DSO resources in various deposits. 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](http://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.*