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## LABRADOR IRON MINES REPORTS FIRST QUARTER JUNE 30, 2019 RESULTS

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Toronto, Ontario, August 28, 2019. **Labrador Iron Mines Holdings Limited** (the “Company”) (OTC: LBRMF) reports its financial results for its first fiscal quarter ended June 30, 2019.

This News Release should be read in conjunction with the Company’s unaudited condensed interim consolidated financial statements and Management’s Discussion and Analysis (“MD&A”) for the three months ended June 30, 2019, 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)).

### OPERATIONS SUMMARY

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LIM has not undertaken mining operations since 2013, primarily due to generally unfavourable iron ore market conditions during that time. The Company has, however, continued to maintain its properties on a stand-by care and maintenance basis and also continues to conduct the expenditures required to maintain its mineral claims in good standing, although a number of non-core mineral claims have been dropped or surrendered.

The price of iron ore increased significantly in the first half of 2019, reaching a five year high of US\$126 in July, largely as a result of supply disruptions in Brazil. Notwithstanding the improvement in iron ore prices, LIM does not plan to undertake mining operations during 2019. Development of Houston, which is planned as LIM’s next DSO project, is subject to the availability of development financing, and securing such development financing requires market confidence that the improved level of iron ore prices will be sustained.

As described further under “Iron Ore Market Conditions” below, some uncertainty exists about the iron ore market in the second half of 2019 and beyond. LIM will continue to monitor iron ore market conditions as they relate to the availability of development financing, however even if such development financing were available, production at Houston could not begin until 2020 at the earliest.

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 and fulfilling environmental and regulatory obligations, which principally relate to rehabilitation of the former James Mine and related infrastructure. LIM’s environmental monitoring and reporting requirements concluded at the end of June 2018.

LIM’s former James Mine and the Silver Yards processing facility have been in a progressive reclamation stage since 2014. In the summer of 2019 LIM has undertaken further rehabilitation of its Silver Yards wet processing plant site. The Silver Yards wet processing plant was used to process ore from the James mine, but is not planned to be used for Houston. Upon successful inspection of this completed rehabilitation work LIM expects release of a comparable amount of restricted cash set aside as financial assurance for such rehabilitation.

From a corporate perspective, the Company has been focused on its financial rationalization efforts and reducing costs. 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.

## IRON ORE PROJECTS

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LIM's Schefferville Projects now consist of the Houston property and, subject to further exploration and development, other iron ore properties in the vicinity of Schefferville, including the Elizabeth taconite deposit.

Houston, which is LIM's principal asset, is situated in Labrador about 25 kilometres southeast of the town of Schefferville, Quebec. Together with the Malcolm deposit, considered to be its northwest extension, Houston is estimated to contain a NI 43-101 resource of 40.6 million tonnes of direct shipping ore (DSO) grading 57.6% Fe.

The Houston development plan is based on lower-cost dry crushing and screening only. When in full production, Houston is expected to produce consistent saleable product of about 2 million tonnes per year, with an initial mine-life of about 10 years.

The capital investment to put Houston into production, with a projected ten-year mine life, 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 development financing, LIM is now positioned to resume mining operations as soon as economic conditions warrant.

Planning for the development of Houston continues, although such planning is limited to the use of internal resources. The revised development plan is based on lower-cost dry crushing and screening only.

LIM also holds the Elizabeth Taconite Project ("Elizabeth"), which has an inferred mineral resource estimate (as at June 15, 2013) of 620 million tonnes at an average grade of 31.8% Fe.

The proposed mining method for Elizabeth has been conceptualized as an open pit operating at 18 million tonnes per year producing approximately 5 million tonnes per year concentrate production over an expected 34-year mine life and with an expected grade of higher than 68% Fe, which would attract premium pricing in today's iron ore market. Over the projected life of mine, total production would be approximately 172 million tonnes of iron ore concentrate.

Elizabeth is located in northwestern Labrador approximately four kilometres west of LIM's former James Mine and is advantageously situated with direct access to existing roads, rail bed and power line corridor. The initial Elizabeth target measures approximately four km long and is made of magnetite and hematite dominant zones. There is significant potential for resource expansion as the deposit remains open along strike to the northwest and southeast.

Elizabeth represents an opportunity for LIM to develop a major new taconite operation in the Menihek area of the Labrador Trough region, near Schefferville, and with an expected grade of higher than 68% Fe would attract premium pricing in today's iron ore market.

Development of Elizabeth is subject to the availability of development and construction financing. There are no assurances that LIM would be successful in obtaining the required financing for the further development and potential construction of Elizabeth.

## **IRON ORE MARKET CONDITIONS**

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The iron ore market in the first half of 2019 was characterized by supply disruptions, particularly in Brazil and Australia, the seaborne market's leading iron ore producing countries.

In late January 2019, production was suspended at several Brazilian mines operated by Vale – the world's largest iron ore producer – following the collapse of a major tailings dam. Vale's production is expected to gradually recover over the next three years, with the full recovery in its production hinging on 60 million tonnes of production associated with the use of tailings dams. In March 2019, Cyclone Veronica damaged the Pilbara coast in Australia, causing disruption at some of the major Australian producers.

These events have had the effect, at least in the short term, of tightening the supply side of the iron ore market. Coupled with strong demand of Chinese steel producers due to domestic infrastructure stimulus programs, inventories of iron ore have dwindled in Chinese ports and the price rose to a five year high of US\$126 in July 2019.

These favourable current market conditions seem to support an iron ore price near or above US\$100. Analysts caution, however, that the iron ore market may be at its peak in terms of supply tightness. In August 2019, the price declined to below US\$100 amid signs of recovery in Brazilian supply, declining profitability and consolidation in China's steel industry and concerns about the escalating US-China trade war. As such, uncertainty exists about the sustainability of the iron ore price in the second half of 2019 and beyond.

## **FINANCIAL RESULTS – QUARTER ENDED JUNE 30, 2019**

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Labrador Iron Mines Holdings Limited ("LIMH"), 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 in the central part of the Labrador Trough region, one of the major iron ore producing regions in the world, situated in the Menihek area in the Province of Newfoundland and Labrador and in the Province of Quebec, centered near the town of Schefferville, Quebec.

The Company reported a loss of \$0.27 million, or \$0.00 per share during the first quarter ended June 30, 2019, compared to a loss of \$0.36 million, or \$0.00 per share, during the same quarter of the previous year.

The loss of \$0.27 million in the first quarter was mainly attributable to site costs of \$0.11 million and corporate and administrative costs of \$0.15 million. The loss of \$0.36 million in the same quarter of the previous year was mainly attributable to site costs of \$0.17 million and corporate and administrative costs of \$0.19 million.

Corporate and administrative costs continue to decline, reflecting a reduction in staff levels and a previous rationalization of office space and related costs.

At June 30, 2019 the Company had a working capital deficit of \$0.14 million and no long term debt. The Company had current assets of \$0.58 million, consisting of \$0.02 million in unrestricted cash, \$0.06 million in accounts receivable and \$0.50 million in assets held for sale. As at June 30, 2019, the Company also held \$1.9 million in non-current restricted cash. LIM made no capital expenditures on property, plant and equipment or its mining properties during the quarter and LIM continues to conduct the expenditures required to maintain its mineral claims in good standing.

## ABOUT LABRADOR IRON MINES HOLDINGS LIMITED

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Labrador Iron Mines is engaged in the exploration and development of its iron ore deposits located in the Schefferville/Menihek region of the prolific Labrador Trough. 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's current focus is on care and maintenance of the Company's mineral properties and assets along with planning activities related to Houston Project development. Subject to securing development financing, LIM is positioned to resume mining operations when economic conditions warrant.

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

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

Richard Pinkerton  
Chief Financial Officer  
Tel: (647) 728-4104

### 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.*