LABRADOR IRON MINES HOLDINGS LIMITED

News Release

LABRADOR IRON MINES REPORTS SECOND QUARTER SEPTEMBER 30, 2021 RESULTS

Toronto, Ontario, Canada, November 12, 2021. **Labrador Iron Mines Holdings Limited** (the "Company") (OTC: LBRMF) reports its financial results for the three and six months ended September 30, 2021.

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 and six months ended September 30, 2021, which are available on the Company's website at www.labradorironmines.ca or under the Company's profile on SEDAR (www.sedar.com).

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 focus is planning activities related to advancing the Houston Project, LIM's flagship property. The Company also continues to conduct the expenditures required to maintain its various mineral claims in good standing. LIM's former James Mine and the Silver Yards processing facility have been in progressive reclamation since the termination of mining at the James Mine at the end of 2013. Following completion of a final rehabilitation program during the summer of 2021, which primarily involved some repeat seeding and re-vegetation and removal of discharge piping, LIM has now completed all its environmental regulatory requirements relating to rehabilitation of the former James Mine, Redmond Mine and the Silver Yards processing site and related infrastructure.

Houston Project

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 ("PEA") was completed in February 2021 which 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. Planned operations involve conventional open pit truck and shovel activities and simple dry crushing and screening for processing.

Based on the assumptions used, the PEA estimates the Houston Project will generate an undiscounted net cash flow of $234 million and an after-tax net present value at an 8% discount rate ("$NPV_{8\%}$") of $109 million and an after-tax internal rate of return ("IRR") of 39%, under the base case US$90/dmt (62% Fe Sinter Fines CFR China basis) benchmark pricing model.

The PEA prepared by Roscoe Postle Associates Inc ("RPA"), now part of SLR Consulting Ltd., supports LIM's plan to resume iron ore production from its Stage 2 Houston Project with low re-start capital and robust economics at a time when the global iron ore markets are very strong. The PEA estimates initial direct capital costs of $51.3 million, and along with indirect costs, engineering, procurement and construction management (EPCM) costs, owner's costs and contingency, total initial capital expenditures of $86.8 million. The initial capital intensity at only US$33 per annual tonne of production is considered low by industry standards.

The Houston Project's deposits 1 and 2 have undergone extensive regulatory review and approval and are considered ready for construction and with a one-year construction period to production, the Houston Project offers low technical risk, with only building a short gravel road and rail siding as the principal construction components.

PEA Follow-up Initiatives

The Company 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 with a potential off-take partner; 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. Results of the test work will be used to refine the product specifications and process flowsheet. This analysis will yield important product characterization information which will be helpful in marketing the iron ore product.

In pursuing potential off-take and financing arrangements, the Company has been in discussion with an iron ore trader which have advanced to the stage of a draft Memorandum of Understanding, which contemplates due diligence collaboration, an off-take option, and potential pre-pay financing in order to move the Houston Project forward.

In order to fund these initiatives, the Company is exploring various near term working capital financing alternatives, including a potential private placement of equity of approximately $2.5 to $5 million.

Various future construction financing alternatives being considered for 2022 include: an advance payment component of an off-take agreement; equipment leasing arrangements; potential project partners; potential government development agencies participation; and potential debt and equity financing.

IRON ORE MARKET

In the first half of 2021 the price of iron ore surged 40% to an all-time record US$235 per tonne in May, averaging US$184 for the period. During the third calendar quarter, however, the price fell to US$125, although it averaged US$167 for the full quarter.

A major driver of China's boom in demand for steel (and thus iron ore) in the first half of 2021 was the considerable levels of fiscal accommodation provided by the government in response to the Covid-19 pandemic. This included growth in total infrastructure investment of 30% year-on-year by the end of March.

By mid-2021 this stimulus spending had declined, however, with total infrastructure investment contracting in June for the first time in over 12 months. Slower construction activity beginning mid-year coincided with the implementation of energy consumption and environmental control policies that tempered steel production in China and thus iron ore demand in the third calendar quarter. China has imposed rapid steel production cuts in an effort to slow its construction-intensive economy and clean up its heavy-polluting industrial sector, in which coal fired steel mills contribute a significant portion of the country's high emission total.

In October and November 2021 the iron ore market has continued to be volatile, breaching US$100 at times. In the medium term, government policy affecting steel production in China is expected to be the most significant factor influencing the price of iron ore. Notwithstanding the recent slowdown, and negativity surrounding property developer Evergrande, China's demand for iron ore is expected to remain strong in the long term.

FINANCIAL RESULTS – THREE MONTHS ENDED SEPTEMBER 30, 2021

On a consolidated basis, the Company reported net income of $0.79 million, or $0.00 per share during the three months ended September 30, 2021, compared to net income of $0.25 million, or $0.00 per share, during the same period of the previous year.

Net income of $0.79 million in the current three month period was mainly attributable to a rehabilitation provision recovery of $1.0 million, offset by site costs of $0.11 million, corporate and administrative costs of $0.074 million and share based compensation of $0.063 million. Net income of $0.25 million in the same period in the previous year was mainly attributable to assignment of rights income of $0.25 million and a rehabilitation provision recovery of $0.17 million, offset by site costs of $0.077 million and corporate and administrative costs of $0.097 million.

The rehabilitation provision recovery represents the difference between actual rehabilitation expenditures incurred during the period and the previously estimated costs that formed the basis of the rehabilitation liability discharged. A portion of the rehabilitation provision recovery in the current three month period relates to the transfer of the full rehabilitation obligation with respect to a rail siding to a third party as partial consideration for the assignment of certain rights in the rail siding to the third party.

Site costs included the expenditures required to maintain the Company's mineral properties in good standing. Such expenditures were minimal during the previous year's three month period as a result of Covid-related relief measures in Newfoundland and Labrador and Quebec, which have not been available in the current year.

Share based compensation in the current three month period related to restricted share units granted, expensed over the period until vesting using the graded vesting method of expense recognition.

At September 30, 2021 the Company had current assets of $1.10 million, consisting of $1.0 million in restricted cash, $0.081 million in unrestricted cash and $0.016 million in accounts receivable. The Company had no long term debt, other than a $0.04 million loan under the Covid-related Canada Emergency Business Account program.

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 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.

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 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 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 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.