Labrador Iron Mines Holdings Limited

PRESS RELEASE

LIM Reports Second Quarter Financial Results

Second shipment of LIM iron ore to China

For Immediate Release

Toronto, Ontario. November 15, 2011. **Labrador Iron Mines Holdings Limited** (TSX: LIM) reports that it has filed its unaudited financial statements and MD&A for the quarter and six months ended September 30, 2011, being the second quarter of fiscal year ending March 31, 2012. The documents are available under the Company's profile at www.sedar.com and on LIM's website at www.labradorironmines.ca.

Highlights for the period ended September 30, 2011

- 723,000 tonnes of ore mined & trucked to Silver Yards during the half year including 212,000 tonnes of DRO at an average grade of 65% iron
- James mining operations reached 16,000 tonnes per day
- Silver Yards processing plant reached in excess of 8,000 tonnes per day
- Second phase plant expansion completed producing quality sinter fines
- Addition of a second train increases rail shipments

Details of production to date are shown in the following table:

Labrador Iron Mines Production details Half Year ended September 30, 2011

	Quarter ended September 30, 2011		Half year ended September 30, 2011	
	Tonnes	Grade % Fe	Tonnes	Grade % Fe
Ore Mined	612,596	60.2	722,980	59.9
Including DRO	177,863	65.3	212,069	65.1
Waste Mined	1,536,368		2,262,050	
Plant Feed	310,107	57.4	328,210	57.3
Lump Ore	52,179	64.8	60,435	64.7
Sinter Fines	112,951	63.0	119,587	63.0
Total Railed	208,461	65.1	213,945	65.1

First and Second Shipments to China

Subsequent to the end of the quarter the first shipment carrying LIM iron ore departed the Port of Sept-Iles on October 3, 2011 bound for China. This shipment contained 167,167 wet tonnes of direct railable ore (DRO) at a grade of 64.8% Fe.

The second shipment departed Sept-Iles on November 2, carrying 172,743 wet tonnes of sinter fines at a grade of 64.9% Fe, also destined for China.

LIM expects a third similar sized shipment to depart at the end of November, and possibly another smaller shipment to depart in December.

James Mine Operations

Mining at the James Mine commenced in June 2011 and is continuing to operate well. To the end of September, a total of 723,000 tonnes of ore had been mined and trucked to the Silver Yards area ahead of processing or transport to Port. The grade of the James ore in the upper benches of the mine continues to be generally in excess of expectations. Of the total production to the end of September, some 212,000 tonnes was direct railable ore at an average grade of around 65% iron of which 175,000 tonnes had been railed directly to Sept-Iles without further processing.

Ore mining operations at the James Mine will continue through the remainder of 2011 at an average rate of approximately 16,000 tonnes per day and, depending upon the weather, it is expected that a total of about 1.6 million tonnes will have been mined by the end of December with about 3 million tonnes of waste mined in the same period. Ore mining operations are expected to continue during the winter months, but at a reduced rate.

Silver Yards Processing

Following commissioning and start-up in June 2011 the Silver Yards processing plant gradually improved its performance and frequently achieved over 8,000 tonnes per day in September and October. During the quarter ended September 30, 2011, 310,000 tonnes of material were fed to the plant, yielding approximately 165,000 tonnes of high grade lump and sinter fine product

A second phase expansion of the Silver Yards plant was completed during the second quarter. This second phase expansion was designed specifically for fine material, and has resulted in an improved throughput and recovery rate. A total of about 500,000 tonnes of iron ore has been fed to the Silver Yards plant during 2011, yielding around 260,000 tonnes of high grade saleable products.

The Silver Yards plant was shut down for the season in early November as wet processing is not planned in winter conditions. Further plant modification and installation of additional equipment as part of the Phase 3 expansion is continuing and is designed to increase Silver Yards' production capacity to about 2 million tonnes per year. It is expected that the planned plant expansion will be in place by mid 2012.

It is estimated that, subject to weather conditions, approximately 600,000 tonnes of saleable product will be railed to the Port of Sept-Iles for calendar 2011 and will all be sold to IOC.

In addition to these shipments, it is expected that a further 600,000 tonnes of iron ore will be held in inventory at Silver Yards and be available for treatment and shipping in 2012, including about 200,000 tonnes of DRO.

2011 Exploration Program

The 2011 exploration program has progressed successfully and is now winding down. Three rigs were in operation and by the end of September about 8,200 metres had been drilled on a number of deposits with the Houston deposit being the main focus. It is expected that about 11,500 metres of reverse circulation drilling will be completed before the onset of winter. Ongoing exploration support programs, including 650 metres of trenching, 65 test pits and air-borne geophysics, will also be completed during the current season.

2012 Outlook

Detailed planning for 2012 is now underway and utilizing the operating experience gained in 2011.

Mining will continue at the James North and James South deposits in the year 2012, with planned total ore mined of between 2.0 and 2.5 million tonnes, together with about 3.5 million tonnes of waste.

Subject to final operating plan and budget approval, it is now expected that between 1.8 and 2.0 million tonnes of ore, including material from stockpiles, will be treated in 2012, expected to yield up to 1.5 million tonnes of saleable product. In addition, it is expected that about 500,000 tonnes of direct railable ore from both the 2011 stockpile and from 2012 mining operations will also be available in 2012, for a total production target of over 2.0 million tonnes of iron ore to be shipped and sold in 2012. A third train will be introduced in 2012 to enable this production of iron ore to be railed to the port of Sept-Iles.

LIM has signed a MOU with the Sept-Iles Port Authority for the use of the Pointe-aux-Basques terminal for handling and ship loading of LIM's iron ore. Use of the Pointe-aux-Basques facilities will require train shunting and unloading in the adjacent rail yard and loading the iron ore onto barges or bulkers and trans-shipping to larger vessels within the deeper waters of the bay or to another port. Some work is still on-going to complete infrastructure facilities at the Pointe-aux-Basques dock. The port handling arrangements for 2012 and future years remain subject to ongoing evaluation and finalization.

Iron ore produced in 2011 is being sold to IOC and delivered to Asian markets and re-sold by IOC's marketing organization on the spot market. The Company continues to review its options for marketing its iron ore production for 2012 and subsequent years and is evaluating the optimum route to achieve these sales, while still maintaining maximum flexibility and independence. Marketing discussions are continuing with potential customers, both in Europe and in Asia. The Company is also continuing discussions with a number of internationally recognized commodity traders with specialist knowledge of the iron and steel industry. The Company has not yet concluded any agreements for the sale of any iron ore beyond 2011.

Results of Operations

The year 2011 (fiscal year ending March 31, 2012) is considered to be a short start-up and testing year and the Schefferville Projects are not yet considered to have reached commercial production.

For the three months ended September 30, 2011, the Company reported a loss of $7.0 million, or $0.13 per share, compared to a loss of $1.2 million, or $0.03 per share during the same quarter of the prior year. For the six months ended September 30, 2011, the Company reported a loss of $11.7 million, or $0.22 per share, compared to a loss of $2.1 million, or $0.05 per share, during the same period of the prior year.

The variance in the results of operations is attributed almost entirely to start-up costs of approximately $5.6 million for the quarter and $9.1 million for the six month period.

During the quarter, the Company invested approximately $13.7 million in property, plant and equipment, compared to approximately $3.3 million invested in the same quarter of the prior year. Approximately $4.0 million was invested in capitalized stripping and dewatering at the James deposit, while approximately $5.5 million was invested in the beneficiation plant, including in part, the purchase, transportation and installation of additional equipment to enhance recovery. Approximately $4.1 million was invested in transportation infrastructure and equipment.

It was originally estimated that the average life of mine operating costs for the James and Redmond deposits would be in the range of approximately $50 per tonne and that initial unit operating costs for the year 2011 (fiscal year ending March 31, 2012), which is considered to be a short start-up and testing year, would be higher than the anticipated life of mine average. It is now expected that unit operating costs, unloaded in Sept-Iles, for 2011 will be in the range of $65 per tonne, the increase being primarily attributable to lower than planned volumes. For 2012 and future years actual unit operating costs will be dependent on increased volumes of iron ore mined, processed and railed and, until annual volumes achieve optimum levels, are expected to be about 20% above the original forecast life of mine average.

As at September 30, 2011, the Company had $37.9 million in unrestricted cash and cash equivalents and $7.5 million in restricted cash. Subsequent to the end of the quarter the Company began to generate cash proceeds from the first shipments of iron ore.

Marketing and Iron Ore Pricing

Marketing discussions are continuing with potential customers in both Europe and Asia. The Company is also continuing discussions with a number of internationally recognized commodity traders with specialist knowledge of the iron and steel industry. The Company has not yet concluded any agreements for the sale of its iron ore beyond 2011.

Since the end of the quarter, the iron ore market has been subject to considerable global volatility. While prices had held relatively firm to quarter end with 62% Fe CFR China trading above the $170 per tonne level through the first week of October, suppliers swapped deliveries from problem markets in Europe to spot markets in China causing local over-supply. This was exacerbated by Chinese buyers withdrawing from the market. This in turn led to increased pressure by shippers to sell product already in transit. The net result was that within three weeks, the iron ore price declined 30% to under $120 per tonne CFR China. The timing of this decline coincided with the pricing of the second shipment of LIM's iron ore and net proceeds from the second shipment will be significantly lower than the first shipment.

As of the end of the second week of November, some price recovery to the $135 per tonne CFR China range has occurred with year-end futures trading nearer to $140 per tonne CFR China.

The pricing forecast for 2012 and beyond remains somewhat mixed. Over the medium term however, the consensus supports a fairly tight iron ore market as China continues to be heavily reliant on seaborne product for steel production, as its marginal cost to domestically produce an additional tonne of iron ore is comparatively high.

With Chinese domestic production constrained and the acceptance of iron ore product from the Labrador Trough established, current producers in the Trough are favourably positioned to benefit from more robust iron ore prices over the next few years before a number of major projects come online.

Qualified Person

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of D.W. Hooley, President of the Corporation and a Qualified Person within the meaning of National Instrument 43-101 of the Canadian Securities Administrators.

About Labrador Iron Mines Holdings Limited (LIM)

LIM is engaged in the production and development of its 100% owned Schefferville Area direct shipping iron ore (DSO) properties in the Labrador Trough of western Labrador and northeastern Quebec. The Company commenced production from the James Mine in June 2011 following the successful construction and commissioning of the mine and Silver Yards processing plant earlier in the year, and began shipping high quality lump and sinter fine products to China in the fall of 2011.

LIM contemplates mining in stages. The first phase of Stage 1 comprises the James Mine and the Silver Yard processing plant which is connected by a rail spur to the main Schefferville to Sept-Iles railway. Through a phased expansion program, LIM plans to grow its iron ore production through the subsequent development of adjacent deposits.

For further information, please view the Company's website at www.labradorironmines.ca or contact:

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Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward looking statements that involve various degrees of risk. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: changes in the world wide price of iron ore and steel, general market conditions, the uncertainty of future profitability and access to additional capital, risks inherent in mineral exploration and risks associated with development, construction and mining operations, delays in obtaining or failures to reach agreements with any potentially impacted aboriginal groups or to obtain required governmental, environmental or other project approvals. There can be no assurance that the Company will be successful in reaching any agreement with any First Nations groups who may assert aboriginal rights or may have a claim which affects the Company's properties or may be impacted by the Schefferville Area project. Caution should be exercised on placing undue reliance on forward looking information.