

Labrador Iron Mines:

Canada's New Iron Ore Producer

March 2012 Year-End Conference Call

Date: June 20, 2012



John Kearney, Chairman & CEO
Rod Cooper, President & COO
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Forward Looking Information

Labrador Iron Mines Holdings Limited (“LIM”) has prepared this presentation for information purposes only. The information contained herein was prepared by management on a best efforts basis and is believed to be accurate. It contains forward-looking statements about the Company's plans for the mining, development and exploration of its properties.

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 the Company will be successful in 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 Projects.

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LIM Q4 Highlights

Signed **iron ore sales agreement** with IOC



Obtained **Environmental Approval and Project Release** for Houston



Completed **equity financing** in March



Signed **IBA and co-operation agreements**



Initiatives carried out for successful 2012 season

Image: Aerial view of Silver Yards Processing Facility

LIM Recent Highlights

Sold **three shipments (515,000 tonnes)** of iron ore by mid-June



Expanded **railcar capacity to four trains** by mid-May



Commenced **full-scale mining** at James and **re-started the Silver Yards** plant



Announced **new and updated NI 43-101 mineral resources**



Positive start to 2012 operating season

Image: James Mine

LIM YE Financial Results

(\$000s except per share data)	2012
Net income (loss)	\$ (14,672)
per share	(0.27)
Cash and cash equivalents (unrestricted)	71,064
Total assets	379,754
Total liabilities	46,664

- § **Proceeds from first three shipments in 2011 (386,000 tonnes): \$32 million**
- § Invested \$70.5 million in mineral property interests, mainly on James deposit and exploration on other deposits
- § Invested \$55.1 million in property, plant and equipment
- § Cash and cash equivalents (March 31, 2012): of \$71.1 million and \$8.9 million in restricted cash

Revenue for ongoing sales will be recognized in FY 2013

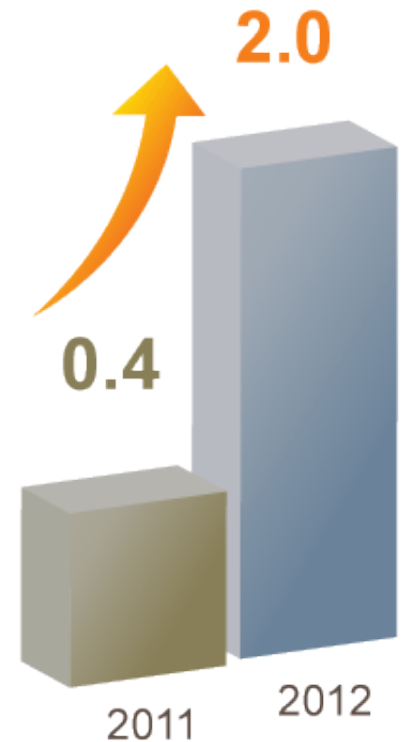


- § Waste mining in March:
~150,000 tonnes
- § Production commenced
April 2, 2012
 - » Ramping up to planned rate of
28,000 tpd (ore + waste)
- § C\$60 – C\$65/tonne operating
cost to Port
Includes site and transport (rail offloading)
costs

**On track for 2012 Sales:
2 Mt of iron ore**

Saleable Iron Ore Production

million tonnes (Mt)



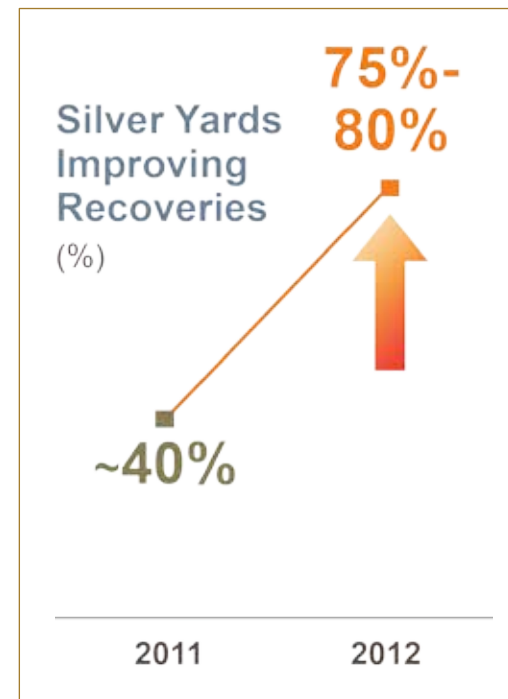
LIM Silver Yards



§ **Silver Yards re-started in mid-May**

§ **Phase 3 on schedule (summer 2012) and on budget:**

- » **Increasing recoveries from ~40% to 75% – 80%**
- » **Targeting 12,000 tpd capacity**



LIM 2012 Guidance and 2011 Operating Results

	2012E	2011 ¹
(dmt)	Tonnes	Tonnes
Total Ore Mined	2.5 million – 3.0 million	1,205,600
Direct Rail Ore	500,000 – 750,000	438,400
Waste Mined	3.5 million	2,855,000
Plant Feed	1.8 million – 2.0 million	572,000
Throughput (tpd)	12,000	8,000 ²
Product (lump, sinter, fines)	1.25 – 1.5 million	232,000
Recoveries	75% – 80%	40%
Railed to Port	2.0 million	563,600
Total Iron Ore Sales	2.0 million	386,000

¹ 2011 represents June – December start-up production season.

² 8,000 tpd plant throughput was achieved in Sept & Oct 2011

LIM's Progress Update

Opportunities identified Conference Call February 2012

1	Equipment size
2	Railcar capacity
3	Silver Yards expansion
4	Longer operating season
5	Executive and operations team

Progress Update

- § Using new fleet and larger equipment for increased efficiency
- § Increased to four train sets (120 cars each) one month ahead of schedule
- § Phase 3 on line in summer 2012
- § 2012 start-up April 2 – planning to transport lump iron ore in December
- § Several key appointments to executive and operations team

Houston Project

Key development project for LIM

Good Progress

- § Environmental Assessment (Houston 1 & 2) Complete
- § Tree clearing advancing
- § Construction expected to commence in summer 2012

Updated Resource

- § **23 million tonnes at 57.2% Fe¹** NI 43-101 compliant
- § Deposit remains open to the south and at depth

Upside

- § Doubles current production; lower processing costs
- § Establish long-term relationship with steelmakers

§ Simple development plan

§ Capital cost estimate: ~\$60 MM

2012: ~\$35 million

- » 10 km access road + bridge
- » 6 km railway siding

2013: ~\$25 million

- » Mine facilities
- » Open pit pre-strip
- » In-pit crushing and screen plant

¹ As at March 31, 2012; See Technical Reports filed on SEDAR.

Rail, Sales and Port

Rail

- » 4 trains sets (124-cars each);
10,000 tonnes per train
- » **‘A train a day’ objective**

Sales

- » **515,000 tonnes** of DRO sold to mid-June
DRO -6 inch in size; additional crushing/
screening by customer and sold at
discount to benchmark
- » Next shipment expected end of June

Port

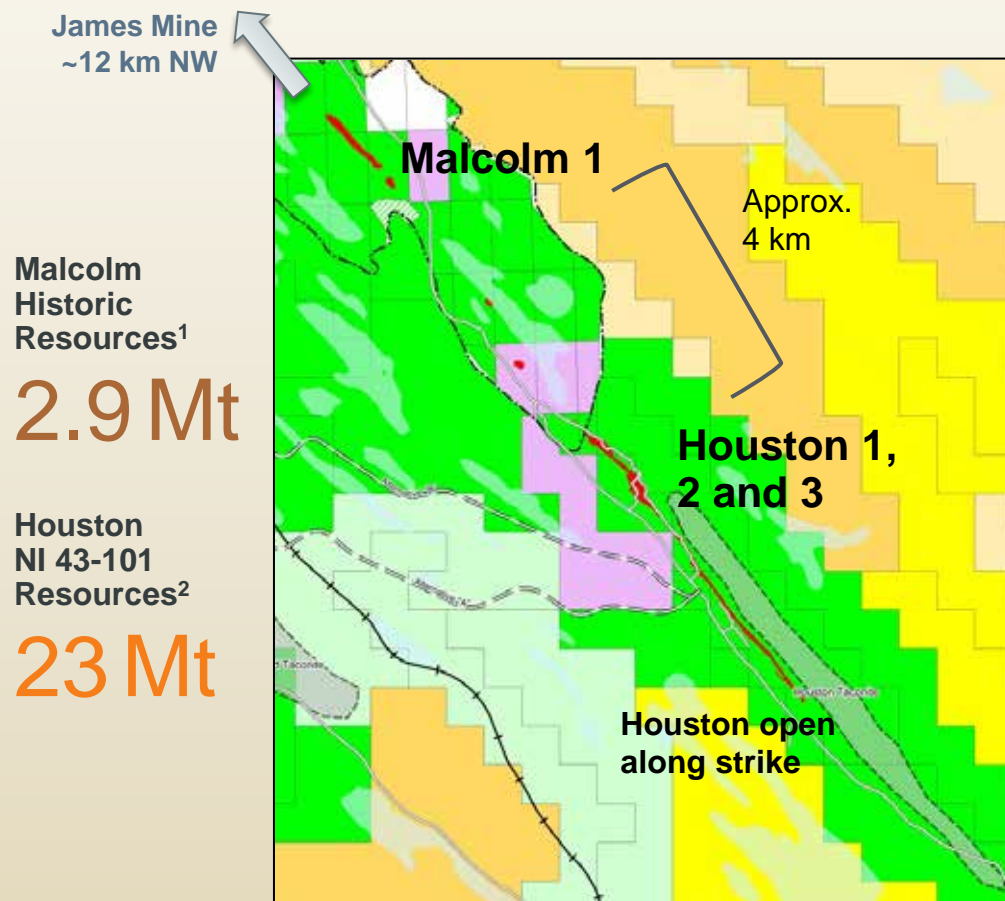
- » Exploring options to secure long-term
port capacity: new multi-user berth, IOC,
Pointe Noire



Value Creation through Exploration

\$8.6 million exploration budget in 2012

- § Houston 1, 2 and 3 and Malcolm 1, + other deposits
- § Resource expansion
- § Technical information for detailed mine planning
- § **Largest exploration program undertaken by LIM**



¹ Historical resource identified by IOC prior to 1983 were not prepared in accordance with NI 43-101

² As at March 31, 2012; See Technical Reports filed on SEDAR

Value Creation through Exploration

Blue-Sky Potential

1 Bulk sampling of historical stockpiles in 2012

- § ~10 million tonnes of crushed >50% Fe
- § Easy access to Silver Yards plant (within 10km)
- § Potential to convert to resources
- § **2012: bulk sample in Silver Yard Plant**



2 Taconite drill targets

- § Large drill targets (~2.5 billion tonnes) identified by geophysical surveys
- § **2012: Initial core drill program**



3 Historical Manganese (Mn) resources

- § Manganese prices are ~3X higher than iron ore price
- § **2012: Lab testing with Silver Yards flow sheet**



LIM Strategic Planning

20 DSO Deposits

45 Mt

57 Fe%

NI 43-101 M&I Resources¹

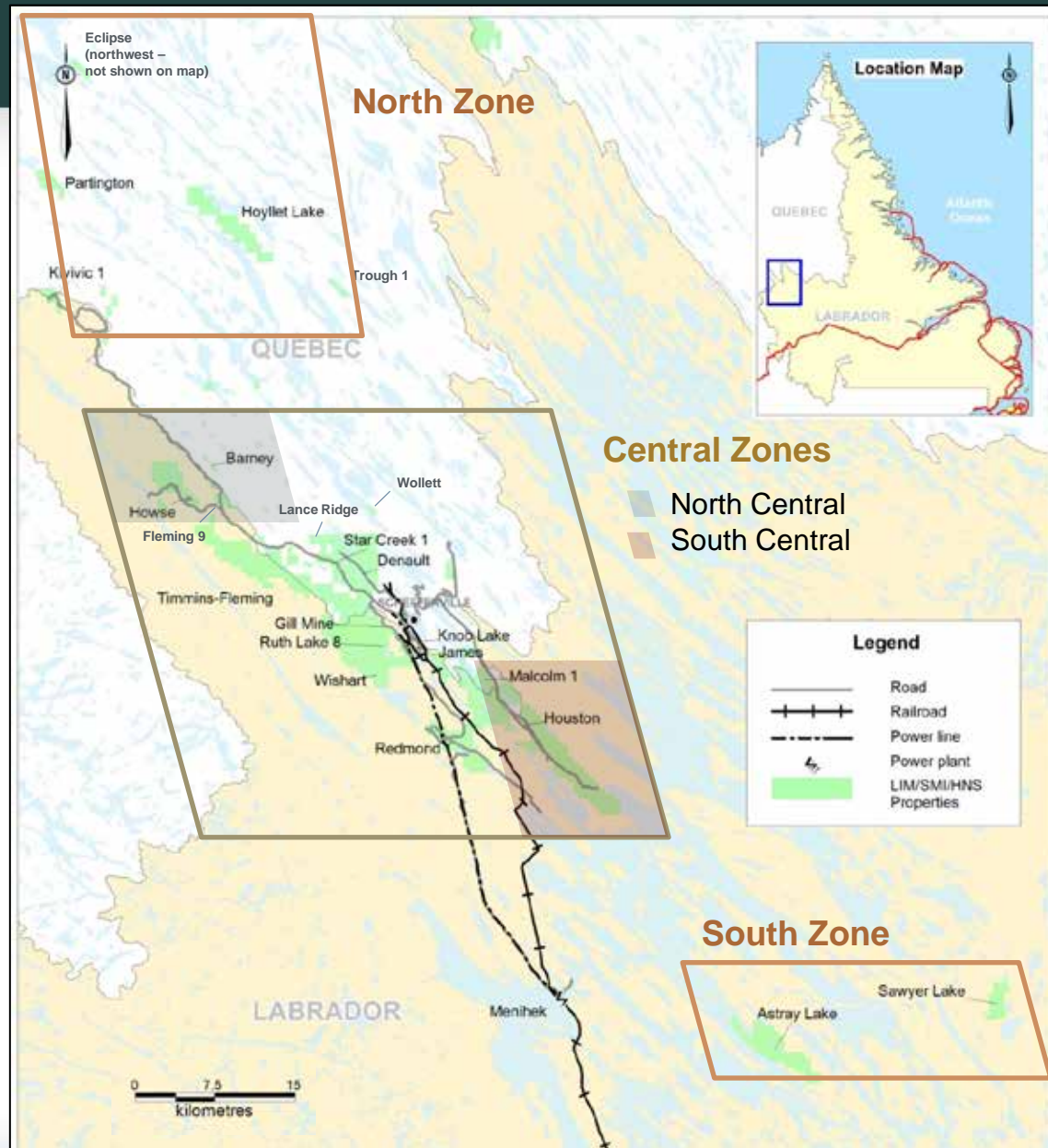
From five DSO deposits

(James, Redmond, Denault, Knob Lake and Houston)

121 Mt

57 Fe%

Historic Resources²

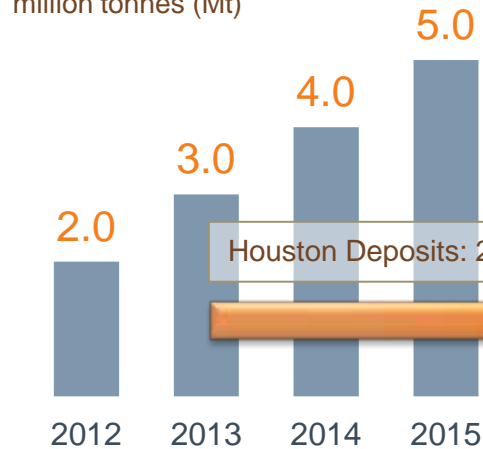


¹ NI 43-101 compliant resource as at Mar 31, '12

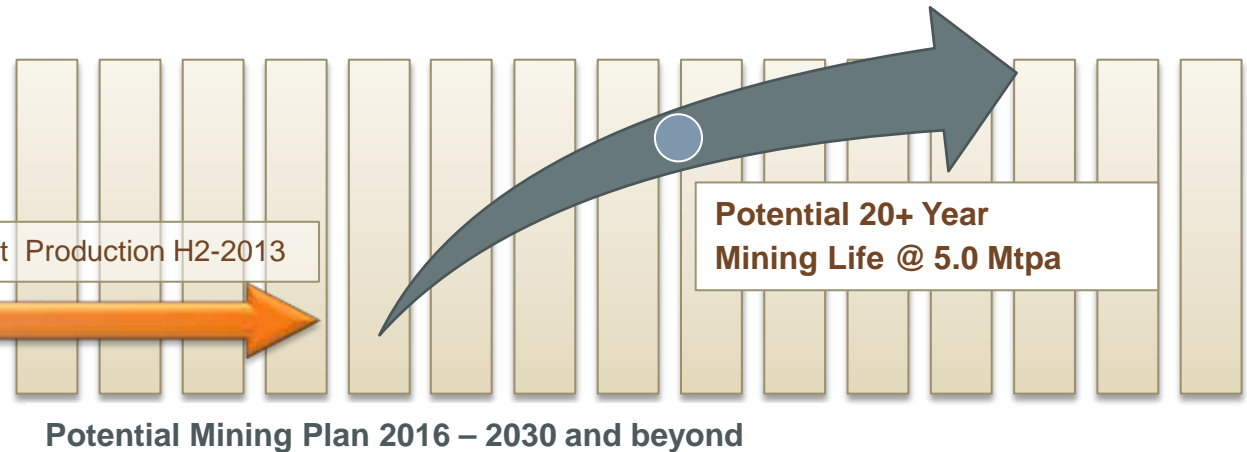
² Historical resource identified by IOC prior to 1983 were not prepared in accordance with NI 43-101

LIM Mining in Stages

Stages 1 & 2: current / near-term planned production
million tonnes (Mt)



Stages 2 – 5¹: longer-term planned production
Large Resource base from current + historic resources



James Mine & Houston Deposits
+ Nearby Deposits: Redmond, Knob Lake & Denault (all NI 43-101)

Additional DSO deposits
Howse (28 Mt), Sawyer and Astray Lake (20 Mt) and Eclipse (37Mt) + Other Deposits all within 50 km of Schefferville

Current
\$60 – \$65
per tonne

- § Reflects pre-commercial start-up period in 2011
- § Unloaded at port



Longer term
\$50 – \$55
per tonne

- § Increased rail efficiency
- § Reduced tariffs

¹ Chart for illustration only and forecasts herein are subject to detailed planning and design. See cautionary statement for the risks associated with forward looking information.

LIM Delivering Results in 2012

Upcoming Catalysts

Iron ore sales: On average two sales and shipments per month	May - December
Houston Deposit: Construction start	Summer
Accommodation camp: expansion completion	Summer
Silver Yards: Phase 3 completion	Summer
Hydroelectric Grid: Connect to existing power grid	Summer
Exploration: drill programs, resource expansion and blue-sky potential	Ongoing 2012



Question & Answer Session