



# Canada's next Iron Ore Producer

Presentation to  
**Iron Ore Trading World Europe**

5 July 2011



Labrador Iron Mines



TSX: LIM

[www.labradorironmines.ca](http://www.labradorironmines.ca)

# 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 exploration and development of its properties.

The exploration and development of mineral deposits are speculative activities subject to risks and uncertainties, and actual events, results and expenditures may differ materially from current expectations. Except as otherwise noted, the resources referred to in this presentation are historical and have not been confirmed in accordance with the standards in National Instrument 43-101 from current expectations.

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 known or unknown 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, delays in obtaining or failures to obtain access to rail or port services, changes in exchange rates, fluctuations in commodity prices, inflation and other factors.

This material does not purport to be all inclusive or to contain all information required in order to make an informed assessment of the Company's prospects. Investors should conduct their own investigation and perform their own analysis in order to be satisfied as to the accuracy and completeness of the information, statements and opinions herein contained before making any investment decision. Caution should be exercised on placing undue reliance on forward looking information.

# Operating in Canada's Most Prolific Iron Ore Producing Region

## The Labrador Trough

2010 production estimated at over 30Mt

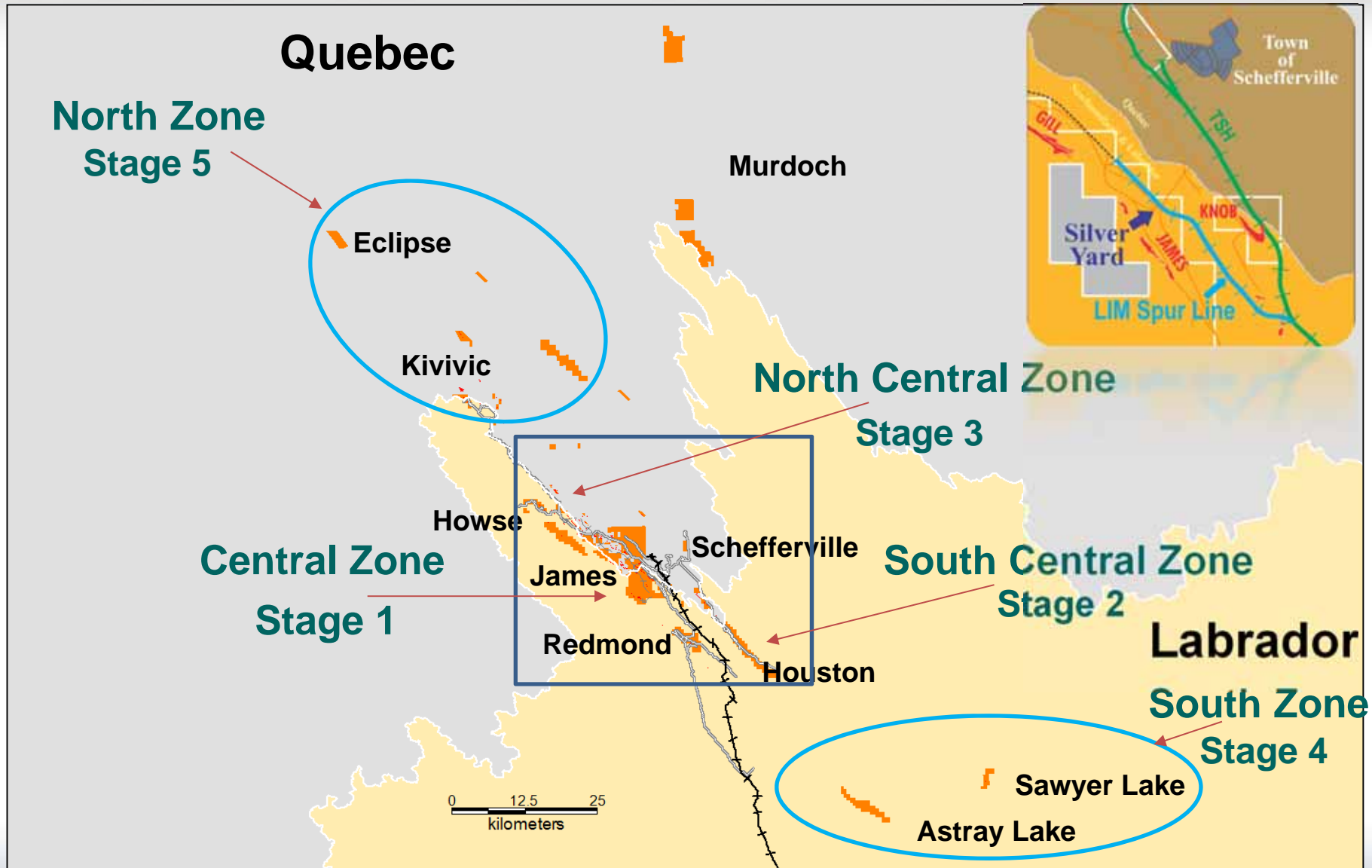
- The Labrador Trough is Canada's principal iron ore producing region
- LIM's projects are located near Schefferville approximately 1,000 km NE of Montreal
- LIM is on track to commence iron ore production in April 2011

### Major producers in the region:

IOC (Rio Tinto); QCM (ArcelorMittal); Wabush and Bloom Lake (Cliffs and Wuhan)



# LIM's Projects in Labrador and Quebec



# Established Infrastructure

## Schefferville

Town site and Airport



## Access Roads

Existing road infrastructure



## Menihek Hydro Plant

35km from the Project



## Electricity

Power lines crossing property



## Railway Lines

Freight and Passengers from  
Schefferville to Sept-Îles



## Sept-Îles Port Facilities

Shiploading with existing installations

# LIM TODAY



## 5 Stage Development Plan

- Development and mining in 5 stages starting with deposits closest to infrastructure

## Silver Yards site Stage 1

- Mine in production
- Plant built and operating
- Spur line and rail yard built and operating

## Mining Operations

- Conventional open-pit mining methods
- April to November mine season, waste stripping & stockpiling year round

## Beneficiation Plant

- Semi-movable plant
- Process rate up to 10,000 tonnes per day over 210-240 days
- Future upgrades planned for 2012 increased throughput and recovery

## Production in 2011

- 1.5Mt in 2011 growing to up to 5Mt in 2015
- 25% lump; 75% sinter fines

# Current Resources

## Stage 1 and 2 Deposits

Stage 1A Deposits NI 43-101 Compliant	Indicated (000t)
<b>TOTAL (Stage 1A)</b>	<b>17,415</b>

Stage 1B and 1C Deposits Historical (Non NI 43-101 Compliant)	(000t)
<b>Total (Stages 1B and 1C)</b>	<b>17,060</b>

Stage 2 Deposits (South Central)	M&I (000t)
Compliant	22,170
Historical	2,879
<b>Total (Stage 2)</b>	<b>25,049</b>

## Stage 3 Deposits- North Central

Stage 3 Historical (Non NI 43-101 Compliant)	(000t)
<b>Total (Stage 3)</b>	<b>31,344</b>

## Stage 4 South & Stage 5 North Zones

Stage 4 & 5 Historical (Non NI 43-101 Compliant)	(000t)
<b>Total Stage 4 South</b>	<b>19,818</b>
<b>Total Stage 5 North</b>	<b>50,676</b>

**Total NI 43-101 M&I Resources (000t) 39,585**

**Total Historic Resources (000t) 124,941**

Historical resources identified by the Iron Ore Company of Canada prior to 1983 were not prepared in accordance with NI-43-101

# Compliant Hematite Mineral Resources

Deposit	Million Tonnes	Fe%	Mn%	SiO <sub>2</sub> %
<b>James M&amp;I</b>	8,098	57.7	0.65	14.08
<b>Redmond 2 M&amp;I</b>	849	59.9	0.37	5.05
<b>Redmond 5 M&amp;I</b>	2,084	55.0	1.17	10.97
<b>Houston M&amp;I</b>	22,170	57.0	1.0	12.80
<b>Denault M&amp;I</b>	6,384	54.8	2.3	8.0
<b>Total M&amp;I</b>	<b>39,585,000</b>	<b>57.0</b>	<b>1.2</b>	<b>12.3</b>

Mineral resources are not mining reserves and do not demonstrated economic viability

# Silver Yards Plant April 2011



# Camp Accommodation



# James Pit Waste Mining



# James Mine Ore Face



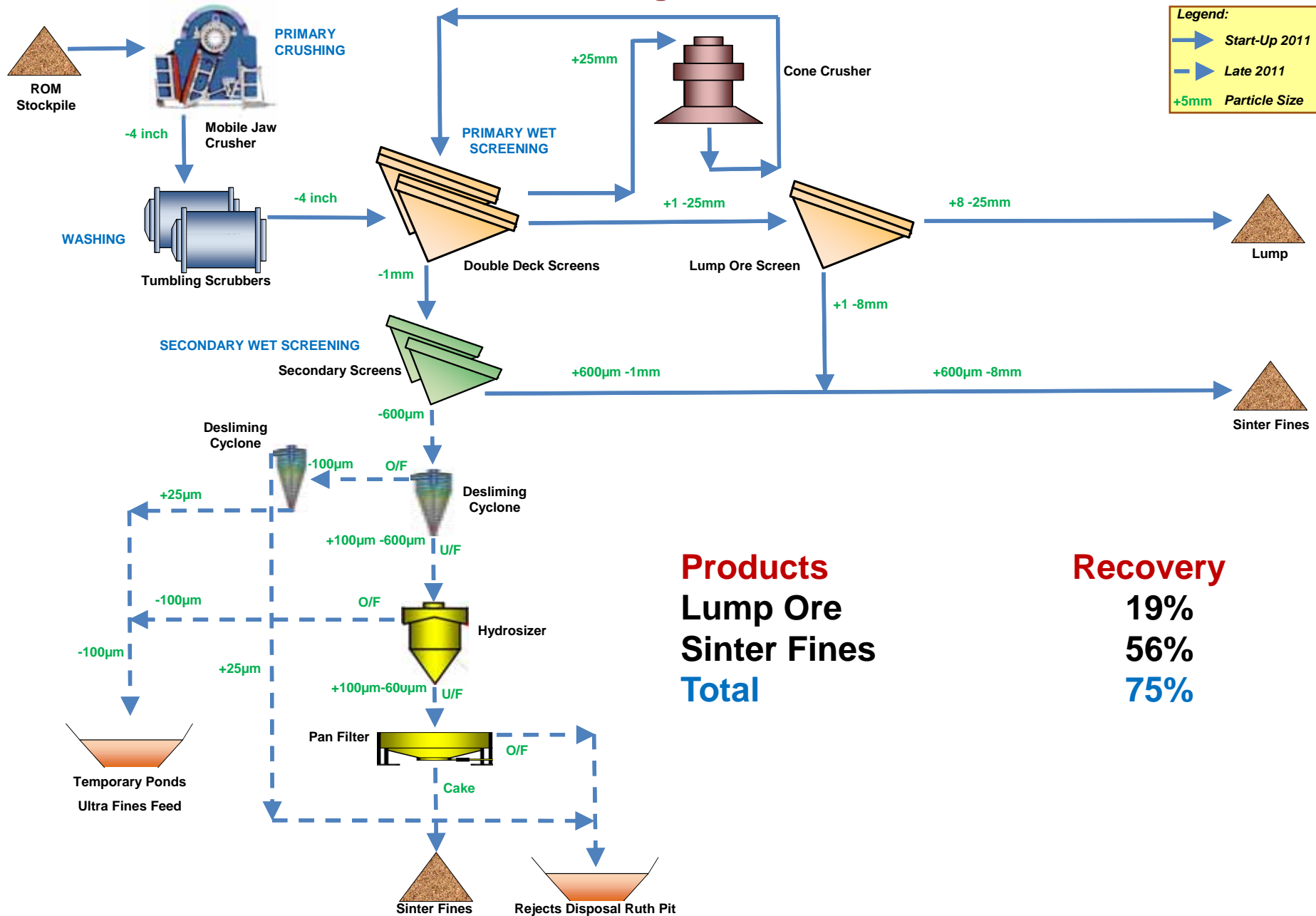
# James Ore Stockpile ready for sale



# Silver Yard Processing Plant Flowsheet 2011

**Legend:**

- Start-Up 2011
- Late 2011
- +5mm Particle Size



**Products**  
**Lump Ore**  
**Sinter Fines**  
**Total**

**Recovery**  
**19%**  
**56%**  
**75%**

# Quality Product

## Bulk Sample from James (Blue Ore)

- High grade hematite (59.6% Fe) – Blue Ore
- Superior metallurgical characteristics



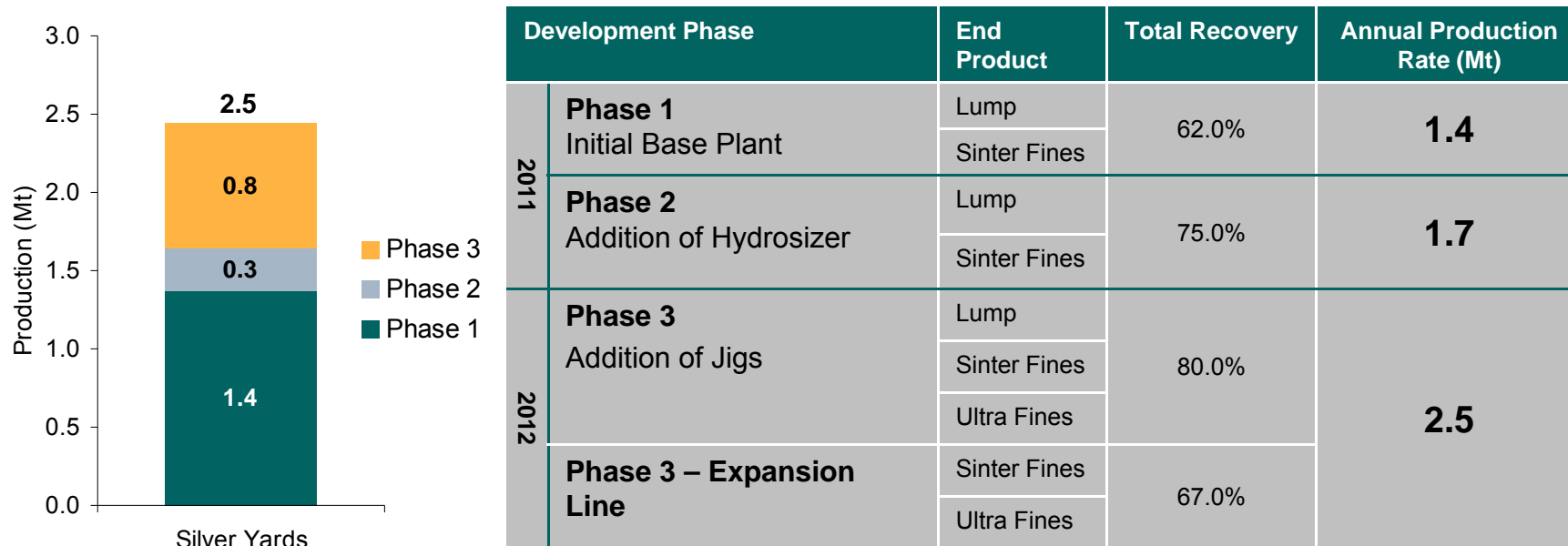
## Forecast Product Quality

Product	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	MnO	P	S	LOI
Lump Ore	65%	3%	0.15%	0.10%	0.015%	<0.01%	1.6%%
Sinter Fines	64%	5%	0.20%	0.12%	0.025	<0.01%	1.8%

# Accelerated Production Growth at Silver Yards

- LIM expects to ramp up to 2.5 million tonnes of production Silver Yards over three phases that will improve recoveries, increase recovered products and add an expansion line to treat lower grade ores

## Accelerated Production Growth (Plant #1 - Silver Yards)



# Significant and Growing Resource Base

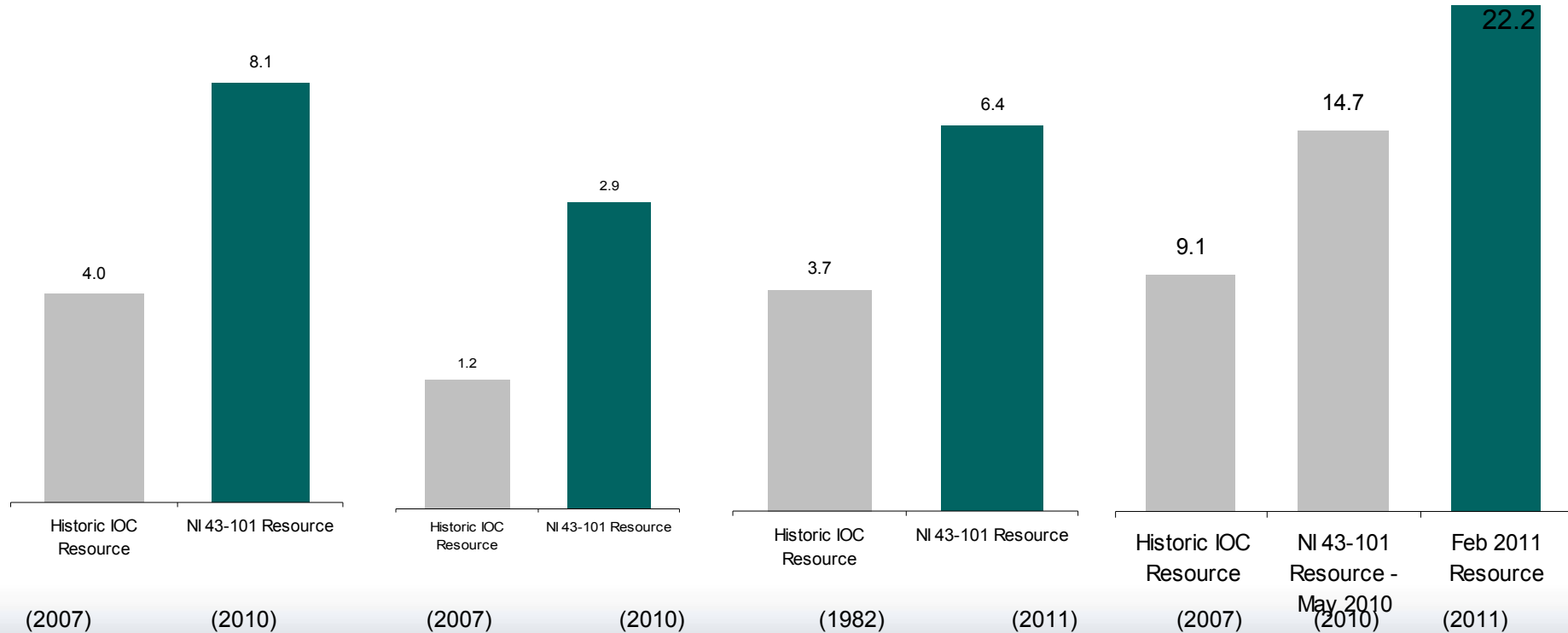
- LIM has steadily been upgrading historical resources, adding additional tonnes
- LIM has over 39.6Mt of measured & indicated resources from its James, Redmond, Houston, and Denault deposits, more than double the historical IOC resource estimates at those deposits

## James Deposit

## Redmond Deposits

## Denault Deposit

## Houston Deposits



# Mine Plan – Stage 2 – Houston

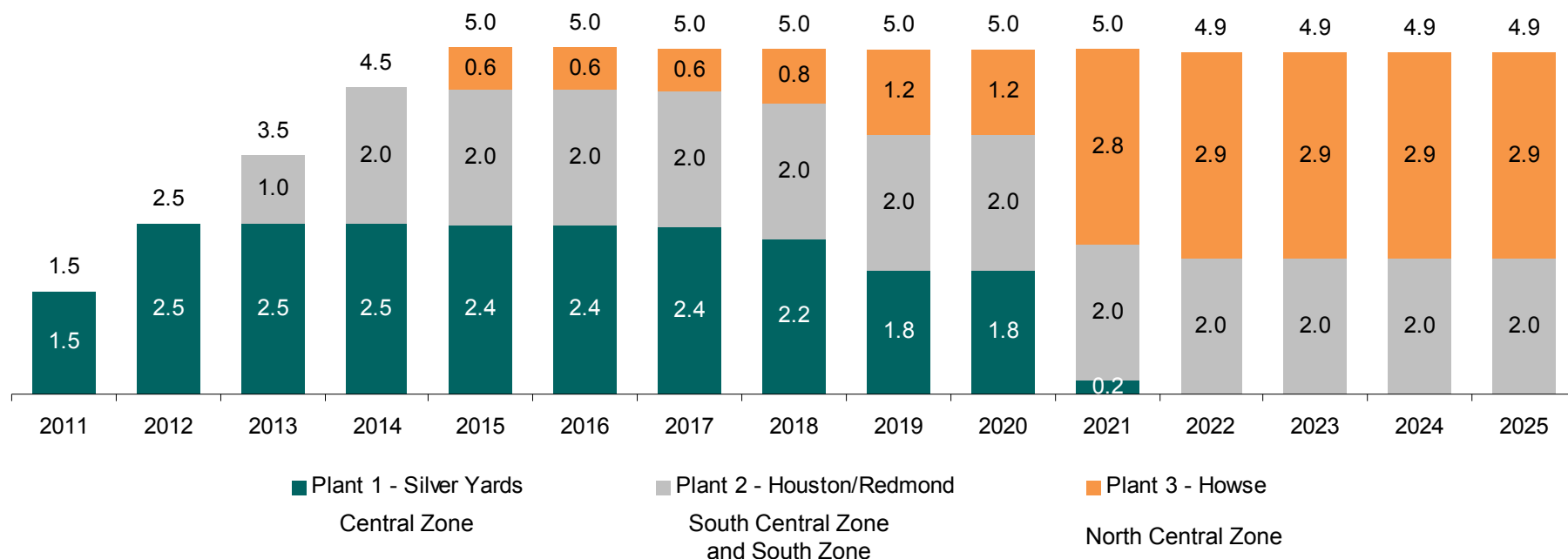
- 22.2 million tonne resource – Houston 1, 2 & 3
- Deposits remain open along strike
- Plan to develop Houston deposits as a stand-alone operation
- Separate plant planned to add 2.5 million tonnes of production
- Environmental assessment/permitting 2011/2012
- Development and construction 2012/2013
- Production targeted for 2013/2014

1. Development of the Houston deposits is currently undergoing internal evaluation. Production is subject to environmental assessment, permitting, metallurgical investigation and detailed engineering and design.

# Growing Production Profile to 5 Million Tonnes Per Annum

- Production plan to reach 5 million tonnes per year from three plants
  - Production is expanded in stages from various zones
  - Current mine plan does not include the North Zone (Stage 5 – 50 Mt)

Planned Production by Plant (million tonnes)  
(Subject to detailed planning and design)



The above chart is for illustration only and includes historical resources identified by the Iron Ore Company of Canada prior to 1983 which were not prepared in accordance with National Instrument 43-101. The forecasts herein are future oriented and/or outlook information. See cautionary statement for the risks associated with forward looking information

# Rail Cars en route from Sept-Iles



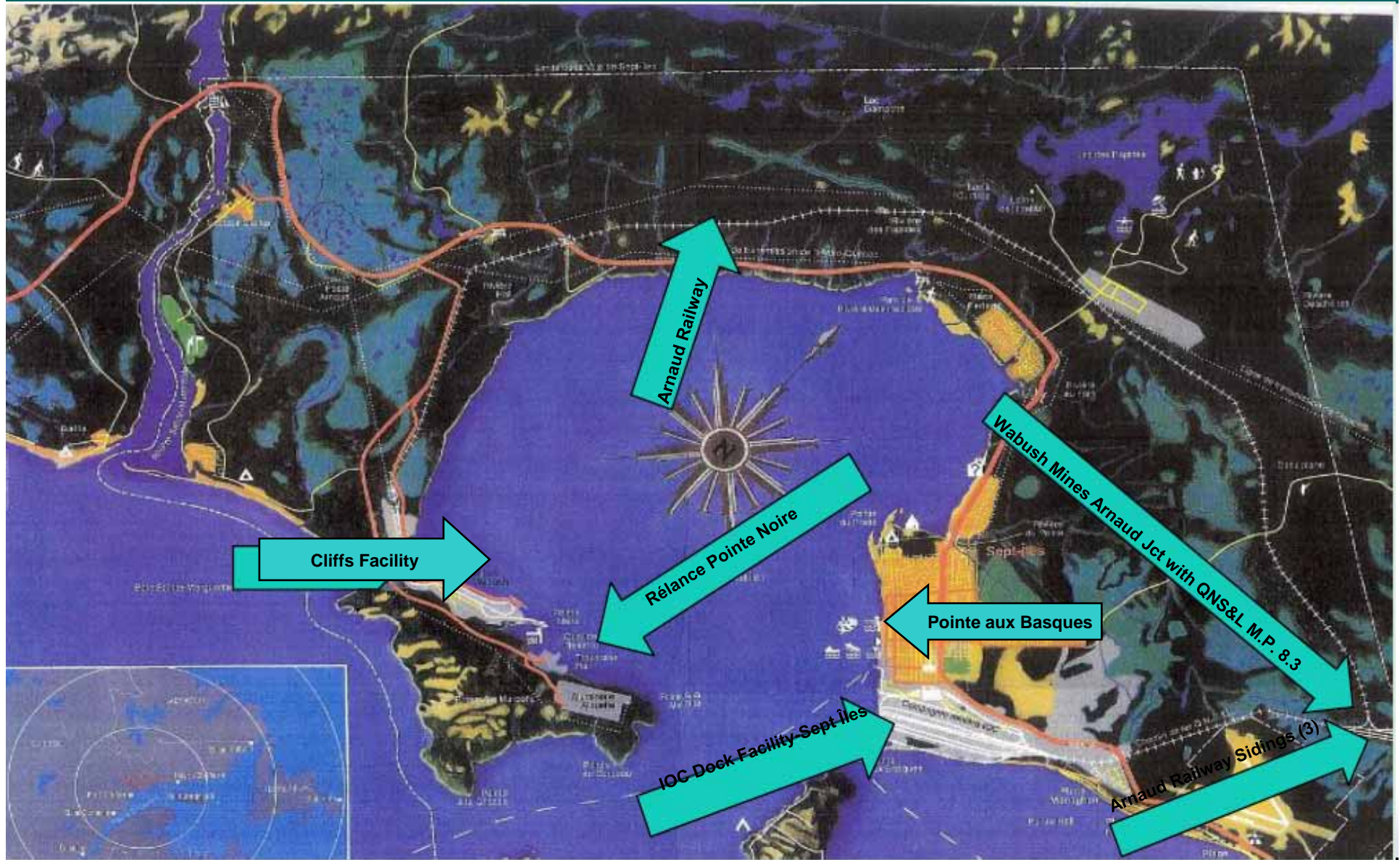
# LIM's rail line at Silver Yard



# Rail Lines from Schefferville Area to Sept-Iles



# Port of Sept-Îles



# Pointe aux Basques Terminal



# Prime Minister Harper Speech – Sept 13, 2010

“The Government is supporting the modernization of the Port of Sept-Îles to further develop the Pointe-Noire Terminal”



# Shipping Routes

Western Europe (Rotterdam) – 5,000 km  
Eastern Europe (Constanza) – 8,500 km  
China (Tianjin ) – 22,000 km





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