



Labrador Iron Mines Holdings Limited

PRESS RELEASE

First shipment of LIM iron ore sails to China

For Immediate Release

Toronto, Ontario. October 3rd, 2011. **Labrador Iron Mines Holdings Limited** (TSX: LIM) is pleased to announce that the first shipment of LIM iron ore sailed today bound for China.

The *Salt Lake City* departed the Port of Sept-Iles at 4.50am EDT today carrying a total of 167,167 wet tonnes of iron ore.

This ore was sold to the Iron Ore Company of Canada (“IOC”) under the arrangements LIM has entered into with IOC for the sale and shipping of all of LIM’s calendar 2011 iron ore production. The sale price for the iron ore is based on the actual realized prices to Chinese customers, less an allocation for handling, loading, shipping and sales costs.

John Kearney, Chairman and Chief Executive of LIM stated *“This is a momentous day in the history of LIM and is the culmination of six years of endeavor. We are very proud to join the limited group of Canadian mining companies exporting iron ore and we are particularly proud that we have done so whilst maintaining our independence and without taking on debt. We now look forward to expanding on this first sailing in the months and years to come.”*

About Labrador Iron Mines Holdings Limited (LIM)

LIM’s Schefferville Projects involve the development of twenty direct shipping iron ore deposits in western Labrador and north-eastern Quebec near Schefferville, Quebec. The properties are part of the historic Schefferville area iron ore district where mining of adjacent deposits was previously carried out by the Iron Ore Company of Canada from 1954 to 1982.

Labrador Iron Mines 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.

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

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Cautionary Statements:

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.