



Labrador Iron Mines Holdings Limited

PRESS RELEASE

PERMIT PROCESS INITIATED AGREEMENT SIGNED WITH LABRADOR INNU

Toronto, ON, May 6, 2008 – Labrador Iron Mines Holdings Limited (TSX:LIR) reports that it has submitted the Project Registration Application for the first phase of development of the Company's Schefferville iron ore project to the Department of Environment and Conservation in the Province of Newfoundland and Labrador and to the Canadian Environmental Assessment Agency (CEAA).

The Company is also pleased to announce that it has signed a Memorandum of Understanding with the Labrador Innu with respect to the development of the Schefferville iron ore project.

Project Registration Application Filed

The Company's iron ore project is located in northwestern Labrador, in the province of Newfoundland and Labrador close to the town of Schefferville, Quebec and is comprised of a series of "direct shipping" iron ore deposits from which the Company is targeting to commence production of both lump and sinter fine ore in 2009.

The Project Registration Documentation filed with the Government of Newfoundland and Labrador, addresses production from the Company's James North, James South and Redmond properties. The properties have been the subject of prior activity carried out by the Iron Ore Company of Canada and are already partially developed, and will benefit from existing infrastructure. Filing of the Project Registration application follows extensive studies carried out over the past three years by Labrador Iron Mines' engineering and environmental teams.

Once processed by the Department of Environment and Conservation the Registration Document will be posted on the Department of Environment and Conservation's website at www.gov.nl.ca/env (follow links to "Projects 2008").

Agreements with Labrador Innu

The Company has entered into a Memorandum of Understanding with the Labrador Innu Association, representing the Sheshatshiu Innu First Nation and the Mushuau Innu First Nation, respectively living in the communities of Sheshatshiu and Natuashish, Labrador reflecting the agreement of the parties with respect to community support for the development of the Schefferville project and their joint commitment to negotiate and enter into a more detailed impact and benefits agreement.

In the Memorandum of Understanding, the Company has committed to building a relationship with the Innu Nation to focus on job creation and business opportunities and working together to provide training as well as protecting environmental and cultural values. The Labrador Innu has agreed to support the project. The principal items to be negotiated in the Impact and Benefits Agreement have been identified.

Chairman's Comments

"The signing of the agreement with the Labrador Innu and the filing of the Project Registration are important steps in the development of our direct shipping iron ore operations in northwestern Labrador", said John F. Kearney, Chairman and CEO of Labrador Iron Mines Holdings Limited. *"We are extremely pleased with the cooperation, encouragement and support received from all First Nations communities and from the Provincial and Federal regulators. We look forward to the early development of this exciting new iron ore project for the collective benefit of the Province, the First Nations and our shareholders."* Mr. Kearney added.

About Labrador Iron Mines Holdings Limited

Labrador Iron Mines Holdings Limited was established to explore and develop “direct shipping” iron ore deposits on properties in which it holds interests located in the Labrador Trough, in the province of Newfoundland and Labrador, near Schefferville, Quebec. The Company was listed on the TSX in December 2007, following a successful IPO in which it raised over \$52 million.

The Company’s properties in Labrador are part of the historic Schefferville iron ore district from which over 150 million tons of direct shipping iron ore was previously mined by the Iron Ore Company of Canada from 1954 to 1982. Labrador Iron Mines is targeting to commence production of both lump and sinter fine iron ore in 2009.

The common shares and warrants of Labrador Iron Mines Holdings Limited are listed on the Toronto Stock Exchange under the symbols “LIR” and “LIR.WT”, respectively.

Cautionary Notes

This press release may contain “forward-looking information” within the meaning of applicable Canadian securities legislation.

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