



Labrador Iron Mines Holdings Limited

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LIM completes C\$35 million bought deal financing

TORONTO, ONTARIO. March 25, 2010. Labrador Iron Mines Holdings Limited (TSX:LIM) (the “**Company**” or “**LIM**”) is pleased to announce that it has completed its previously announced offering of C\$30,003,300 in common shares (the “**Treasury Common Shares**”) and C\$5,054,000 in flow-through shares, on a “bought deal” basis, at a price of C\$5.55 per Treasury Common Share and C\$6.65 per flow-through share (collectively, the “**Offering**”). The Offering was completed by a syndicate of underwriters led by Canaccord Financial Ltd. and included Jennings Capital Inc. and Haywood Securities Inc. (collectively, the “**Underwriters**”).

The Company intends to use the net proceeds from the Offering for exploration and development of the Company’s mineral projects, and for general corporate and working capital purposes.

LIM now has 43,369,951 common shares outstanding after giving effect to the Offering.

Anglesey Mining plc (“**Anglesey**”), in connection with the Offering, has granted the Underwriters an option (the “**Over-Allotment Option**”) to purchase from Anglesey up to 810,900 previously issued common shares of the Company (the “**Secondary Common Shares**”) for the purpose of covering the Underwriters’ over-allocation position at C\$5.55 per Secondary Common Shares for gross proceeds of up to C\$4,500,495, being up to 15% of the amount raised pursuant to the sale of Treasury Common Shares, exercisable at any time, in whole or in part, up to 30 days after the date of the closing of the Offering.

Anglesey currently holds 18,600,000 common shares of the Company. The net proceeds from the sale of the Secondary Common Shares, if the Over-Allotment Option is exercised, will be received entirely by Anglesey and will be used by Anglesey for general corporate costs and working capital purposes.

This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

Labrador Iron Mines Holdings Limited (LIM)

LIM’s Schefferville Area project involves the exploration and development of direct shipping iron ore deposits in western Labrador and north eastern Quebec near Schefferville. The Company’s 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. The Company plans to mine its deposits in varying stages, the first stage comprising the James and Redmond deposits, which are located in Labrador in close proximity to existing infrastructure. Subject to timely receipt of all permits and licences, the Company plans to commence iron ore production in the summer of 2010.

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 mineral commodities, 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 obtain required governmental, environmental or other project approvals. Caution should be exercised on placing undue reliance on forward looking information.