



Labrador Iron Mines Holdings Limited

PRESS RELEASE

LIM receives approvals to commence construction of mining facilities Mine Development Plan approved by Government

For Immediate Release

Toronto, Ontario. July 28, 2010. **Labrador Iron Mines Holdings Limited** (TSX: LIM) is pleased to announce that yesterday it received Certificates of Approval for the construction of its mining facilities from the Government of Newfoundland and Labrador.

The approvals provide for the construction of open pit mining and treatment facilities at the James North, James South, Redmond 2B and Redmond 5 deposits, and include the beneficiation facility, ore, waste rock and overburden stockpiles, settling ponds, access roads, accommodation camp and other associated works for LIM's Schefferville Area direct shipping iron ore project. The approvals also include authorization for the installation and operation of power generators at the James deposit, the Silver Yard beneficiation area and the accommodation camp.

The Company has also been advised by the Minister of Natural Resources that the Company's Development Plan for the Schefferville Area Iron Ore Mine (Western Labrador) has been approved pursuant to Section 6.(1) of the Mining Act.

LIM is still awaiting two operating permits, one for the operation of the mine, and the other for the operation of the new 4.5 km railway spur line which was completed in early June which will be used for the mobilization of the equipment and plant that have been assembled offsite over the last several months and has been brought to railheads at Sept-Iles and at Labrador City awaiting delivery to site.

The issue of these approvals and permits by the Government of Newfoundland and Labrador has taken longer than anticipated and has resulted in delays in the Company's originally planned construction and production timelines for 2010.

Discussions with Innu of Quebec

Negotiations with the Quebec Innu, represented by the communities of Matimekush-Lac John (Schefferville) and Uashat Mak Mani-Utenam (Sept-Iles), towards the completion of Impact Benefit Agreements are continuing but agreements have not yet been reached. In June, the Innu Strategic Alliance erected a barrier to block normal access from the town of Schefferville in Quebec to mining properties in Labrador as part of a land claim campaign to protect their rights and other political issues. To date, the Company has respected the barrier pending the issue of permits and hopes that the ongoing discussions with both the Quebec Innu and with Government will result in satisfactory agreements whereby the Company's projects can be operated in a positive way for the benefit of all.

The Company has previously signed an Impact Benefit Agreement with the Innu Nation of Labrador. In addition, the Company has signed a Memorandum of Understanding (MOU) with Matimekush in 2008 and with the Naskapi Nation of Kawawachikamach in the same year.

Subject to the receipt of all the remaining necessary operating permits, licenses and approvals without any further delay, the Company plans to proceed with site construction and commissioning of the mine and beneficiation facilities and hopes to achieve start up and some initial production before the seasonal shut down of operations at the end of November 2010. The Company is targeting full scale commercial production in April 2011 and plans production of 2 million tonnes of iron ore during that calendar year.

Labrador Iron Mines Holdings Limited (LIM)

LIM's Schefferville Area project involves the development of twenty direct shipping iron ore deposits in western Labrador and north-eastern Quebec near Schefferville, Quebec. 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. Labrador Iron Mines contemplates mining in four stages, the first phase of Stage 1 comprising the James and Redmond deposits, which are located in close proximity to existing infrastructure.

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. 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.