



LIM on target to complete plant construction by year end

For Immediate Release

Toronto, Ontario. October 22, 2010. **Labrador Iron Mines Holdings Limited** (TSX: LIM) is pleased to report on construction progress at the Company's wholly-owned Schefferville area project in Labrador. Since construction began in early September, the rate of advance to date indicates that the plant and accommodation camp are on track to completion by the end of calendar 2010.

All equipment and material required for plant construction is now on site, including the primary and secondary crushers, all conveyors, scrubbers, screens and stackers. The primary crusher ramp and retaining wall have been completed, as well as the foundation for the secondary crusher. All the piers for the conveyors have been installed including those leading to the radial stackers for final lump and sinter product, and to the secondary crusher. The steel structure for the secondary screens tower is complete and the chutes, stairs and flooring for the transfer tower are all installed.

All the major items of equipment are scheduled to be installed by the end of October, including the primary and secondary screens, tumblers and chutes and this will enable installation of the dome roof which will permit piping, electrical and other work to be carried out. This roof structure is being assembled at site and is expected to be completed by mid-November.

The accommodation camp at Bean Lake is also advancing rapidly with sewer and water pipes installed and pads for the kitchen/recreation complex and accommodation trailers. By the end of October, the majority of units comprising dormitories, kitchen parts and containers will be on site with the remainder due in the following week and installation will follow immediately.

At the James deposit, timber cover over the North and South Pits, the waste rock stockpile areas and the settling ponds have been cleared, enabling construction of the settling ponds and mine haul road which will begin shortly. Mine site preparation at the James deposit will be started requiring very little drilling or blasting, and it is expected that some ore will be mined this year and stockpiled ahead of the primary crusher.

The 2010 exploration program is successfully nearing completion with 4,000 metres of drilling and 1,400 metres of trenching having been achieved at the Denault, Ruth 8, and Houston properties. Drilling at Houston has indicated some extensions to the resource, and these together with Denault will be incorporated into revised resource estimates when assay results are received.

The Company plans to commence production in April 2011, and is targeting production of 2 million tonnes of iron ore during that calendar year.

Qualified Person

Information of a scientific or technical nature contained in this release has been prepared by or under the supervision of Terence McKillen, P.Geo., Executive Vice President of the Corporation and a Qualified Person within the meaning of National Instrument 43-101 of the Canadian Securities Administrators.

About 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, located in close proximity to existing infrastructure, for which all operating permits have been issued and where construction is now well underway.

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

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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.