Labrador Iron Mines Holdings Limited

PRESS RELEASE

New resource estimates for James and Redmond deposits show significant increase over historical resources

For Immediate Release

Toronto, Ontario. November 12, 2009. **Labrador Iron Mines Holdings Limited** (TSX: LIM) is pleased to report independent resource estimates, prepared in accordance with NI 43-101, for its 100% owned James, Redmond 2B and Redmond 5 deposits, which comprise the first stage of targeted production at LIM's direct shipping iron ore project located in Western Labrador, near the town of Schefferville, Quebec.

These new estimates show a significant increase in tonnage over the historical resources (not NI 43-101 compliant), previously estimated by the Iron Ore Company of Canada (IOC) prior to 1982, as shown in the following table:

New Indicated Resource Estimates vs Historical Resources
(at a cut off grade of 50% iron)

Deposit	**New Resource** Million Tonnes	**Grade** (% Fe)	**Historical Resource** Million Tonnes
James	8.1	57.7	4.0
Redmond	2.9	56.4	1.2
Total	**11.0**	**57.4**	**5.2**

The independent resource estimates were prepared by SGS Geostat Ltd., Blainville, Quebec, (Qualified Person Maxime Dupéré, P.Geo,) in accordance with NI 43-101. The classification of resources was completed using the results of drilling and trenching carried out by LIM during the 2006, 2008 and 2009 field seasons, which comprised twinning, in-fill and step-out drilling and trenching, as well as drill and trench data previously conducted by IOC.

Commenting on the James and Redmond resource estimates, John F. Kearney, Chairman and CEO of Labrador Iron Mines said, "*The new resource estimates completed by SGS Geostat have indicated a substantial increase in tonnage over the historic estimates for these iron ore deposits. This is of particular significance as the increase will extend the expected life of our Phase One project, potentially extending it by up to two years.*"

James Deposit

The resource estimate for the James deposit is based on 990 metres of reverse circulation drilling in 16 holes and 515 metres of trenching carried out by LIM, in addition to 5,800 metres of drilling and 3,000 metres of trenching previously carried out by IOC. The mineral deposit resource estimates were calculated using the inverse distance squared method.

The SGS Geostat resource estimates for the James deposit of 8.1 million tonnes at a grade of 57.7% iron in the Indicated category represent an increase of 100% over the historical resource of 4,006,000 tonnes.

Deposit	Ore Type	Classification	Tonnage	SG	%Fe	SiO_2
James	NB-LNB	Indicated	5,802,000	3.71	59.60	11.05
		Inferred	35,000	3.76	57.22	11.50
	$HiSiO_2$	Indicated	2,289,000	3.55	52.91	21.79
		Inferred	76,000	3.52	51.87	23.72
	Total	**Indicated**	**8,091,000**	**3.66**	**57.71**	**14.09**
		Inferred	**111,000**	**3.53**	**53.56**	**19.88**

Redmond Deposits

The Redmond property comprises two discrete deposits known as Redmond 5 and Redmond 2B. The resource estimates of these properties were calculated using the inverse distance squared method.

Redmond 5

The resource is based on 964 metres of reverse circulation drilling in 20 holes and 461 metres of trenching carried out by LIM, in addition to 1,370 metres of drilling previously carried out by IOC.

Deposit	Ore Type	Classification	Tonnage	SG	%Fe	SiO_2
Redmond 5	NB-LNB	Indicated	1,793,000	3.4	55.55	9.26
		Inferred	78,000	3.3	52.34	10.84
	$HiSiO_2$	Indicated	291,000	3.3	51.23	21.54
		Inferred	-	-	-	-
	Total	**Indicated**	**2,084,000**	**3.4**	**54.95**	**10.97**
		Inferred	**78,000**	**3.3**	**52.34**	**10.84**

The SGS Geostat resource estimates for the Redmond 5 deposit, of 2.1 million tonnes at a grade of 54.9% iron in the Indicated category, represent an increase of 220% in mineral resources over the historical resource of 650,000 tonnes.

Redmond 2B

The resource is based on 1,100 metres of reverse circulation drilling in 21 holes and 663 metres of trenching carried out by LIM.

Deposit	Ore Type	Classification	Tonnage	SG	%Fe	SiO_2
Redmond 2B	NB-LNB	**Indicated**	**849,000**	**3.71**	**59.86**	**5.05**
		Inferred	**30,000**	**3.76**	**57.27**	**5.87**

The SGS Geostat resource estimates for the Redmond 2B deposit, of 0.85 million tonnes at a grade of 59.8% iron in the Indicated category, represent an increase of 45% in mineral resources over the historical resource of 580,000 tonnes.

Block Modeling

The inverse squared distance method was used to estimate the resources by block modeling. SGS Geostat used a block model of 5m by 5m by 5m. The orientation of the blocks at James is 313.5˚, at Redmond 2B is 310˚, and at Redmond 5, 313^0. SGS Geostat used BlkCad software designed by SGS Geostat, for the resource estimation of the mineral deposits. SGS Geostat used the orientations (azimuth and dip) of the geological interpretations and the ore limits interpreted in plane and in section to define a search window. SGS Geostat used different search window according to the shape and distribution of the mineralized envelopes in each specified mineral deposit.

Analyses

Analyses for all of the samples from the 2006, 2008 and 2009 drilling and trenching programs were carried out by SGS-Lakefield Laboratory and Activation Laboratories. The analytical method used was borate fusion whole rock X-Ray Fluorescence.

Density

A variable specific gravity (density) was used for the modeled ore types. SGS Geostat used the following equation: $SG_{(in\text{-}situ)} = (2.3388 + Fe \times 0.0258) * 0.9$. The regression formula was calculated by LIM based upon 229 specific gravity tests and validated by SGS Geostat and is considered a conservative measure of density.

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.

Labrador Iron Mines Holdings Limited (LIM)

LIM's Schefferville area project involves the development of eight direct shipping iron ore deposits in Western Labrador 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 plans mining in three phases, the first stage comprising the James and Redmond deposits, which are located in close proximity to existing infrastructure. The Company plans to commence iron ore production in mid-2010.

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

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