



Labrador Iron Mines Holdings Limited

PRESS RELEASE

Labrador Iron Mines 2009 field work program underway Fiscal year ends with strong cash position and no debt

For Immediate Release

TORONTO, ONTARIO. June 30, 2009. Labrador Iron Mines Holdings Limited (TSX: LIM) announces that the 2009 field work season is underway at its Schefferville iron ore project in Western Labrador. The program is focused on mine planning for production start-up targeted for mid-2010.

2009 Field Program

The 2009 program which commenced on June 3, 2009 will comprise a total of 6,000 metres of drilling, including some infill drilling identified from the 2008 program and comprehensive drilling on other zones that were not substantially drilled in 2008. In addition, a 3,000 metre trenching and sampling program will be carried out in conjunction on these areas to determine the width of the various mineralized zones.

The data will provide confirmation and update the historical resource base previously estimated by Iron Ore Company of Canada. Based on the new data generated during the 2009 program combined with the results from the 2008 work program, a NI 43-101 compliant resource estimate will be compiled.

A second program of hydro-geological drilling and testing will be carried out in 2009 to confirm expected flow rates and water quality from future mining operations. This work will enable dewatering plans including perimeter wells to be properly designed and installed in a timely manner.

Metallurgical testwork will continue during the summer aimed at improving expected recovery levels from all size fractions of mined material while maintaining the high iron and low impurity levels in the final product. This work will be associated with the final design of the process flow-sheet and selection of suitable items for the plant.

Upon completion of this testwork, together with the remaining exploration and hydro-geological studies being carried out in 2009, the data will be incorporated into the final engineering and cost study. This will allow for orders to be placed with suppliers and contractors for infrastructure, mining and beneficiation facilities in sufficient time to ensure they are available to meet the mid-2010 commencement of production schedule.

On-going environmental baseline and field measurements related to both the current and future application areas will be continued. In early March 2009, the Minister of Environment and Conservation requested some additional information to supplement the Company's Environmental Impact Statement (EIS) submitted to the Minister in December 2008. This additional information is now being compiled and is expected to be submitted to the Minister shortly. Following this submission there will be a 50 day period for public comment and the Minister will then have up to a further 20 days to decide upon the acceptability of the EIS. Upon release of project approval, the Company will submit the applications for the necessary operating permits and licenses.

Assuming the relevant permits and licenses are issued during the third quarter of the 2009 calendar year, the Company is currently planning, subject to on-going reviews of future iron ore prices, to commence initial site construction during the fall of 2009. This program will enable LIM to install and test its major transport facilities ahead of commercial production in 2010.

Fiscal year end results

The Company also reports that it has filed its audited financial statements and MD&A for the fiscal year ended March 31, 2009. The reports are available under the Company's profile at www.sedar.com and on its website at www.labradorironmines.ca.

At March 31, 2009, the Company had cash and cash equivalents of \$35.2 million. Working capital was a healthy \$34.7 million with no borrowings or debt.

The estimated capital cost to put the first phase of the Schefferville Project into production has not yet been determined pending acceptance of the EIS and receipt of project approval, completion of the engineering study and a final production decision on the scale of operations to be conducted from 2010 onwards. The Company believes it has sufficient funding to undertake its planned exploration and development programs during the year and place the first phase of its Schefferville Area direct shipping iron ore project in Western Labrador into production.

Mr. Terence McKillen, Executive Vice President for the Company and a Qualified Person under NI 43-101 has approved the technical content of this release.

About Labrador Iron Mines Holdings Limited

Labrador Iron Mines Holdings Limited was established to develop direct shipping iron ore deposits on properties in which it holds interests in the Labrador Trough, Canada's main iron ore producing region, in the province of Newfoundland and Labrador near Schefferville, Quebec. The Company's properties are part of the historic Schefferville area 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 working to reactivate direct shipping iron ore operations in the region with plans to commence production in the second quarter of 2010.

Forward-Looking 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.

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

Donna Yoshimatsu
Vice-President, Investor Relations
Tel: (647) 728-4119
E-mail: Yoshimatsu.d@labradorironmines.ca